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Alatas on Time Running Out for Cambodian Peace

OW2906110990 Tokyo KYODO in English 1013 GMT 29 Jun 90

[Text] Tokyo, June 29 KYODO—Indonesian Foreign Minister Ali Alatas on Thursday said his country is not planning to reconvene the Jakarta conference on Cambodia as the four warring Cambodian factions must now concentrate on narrowing their differences toward a comprehensive political settlement of the 11-year-old conflict following Tokyo peace talks in early June.

Alatas, also a co-chairman of the Paris international conference on Cambodia, told reporters at the Japan National Press Club that it would not be desirable to reconvene the Paris conference unless conditions for the achievement of a comprehensive settlement increase. He did not suggest a date for the next Paris gathering, stressing that "the last thing we want is another inconclusive Paris meeting." Alatas said this is a position he shares with French Foreign Minister Roland Dumas, co-chairman of the conference, whom he met in Paris two weeks ago.

Leaders of the two opposing sides signed a conditional ceasefire accord in Tokyo on June 5 after two days of talks, but the China-backed Khmer Rouge boycotted the talks and declared it could not be held responsible for an agreement it had not signed. The Tokyo communique called on the cochairmen of the international conference on Cambodia to reconvene it as soon as possible.

At the press conference at the end of his four-day visit to Japan, Alatas appealed to the four warring Cambodian factions to "get down to substance" in seeking a political settlement, thereby prodding them to move beyond their long-standing disputes about wording and protocols. Saying "the time (for Cambodian peace) is running out," he noted that the world's attention is turning to Eastern Europe and the world economy.

Alatas, whose first trip to China begins on Sunday, said the visit will be significant because the two sides will discuss how and when to normalize their diplomatic relations, frozen over the past 20 years, and will finalize the process, including technical aspects of the normalization. He said there will be no internal security threat for Indonesia because Jakarta has the clear assurance from Beijing of noninterference, both at the governmental and "peoples' level."

Alatas also said it is not likely that the banned Communist Party of Indonesia will be revived following the normalization with China.

As for the Asian Pacific Economic Cooperation Council (APECC) promoted by Australia and Japan, Alatas gave his "personal" opinion that there should be no quick moves to institutionalize the conference in the form of a secretariat or the like, noting that ASEAN (Association of Southeast Asian Nations) countries are fully aware of the need to enhance mutual consultation and cooperation.

Japan

Further Reportage on SII Talks Results

Forum To Follow Up on Talks

OW2306034690 Tokyo KYODO in English 0149 GMT 23 Jun 90

[Text] Tokyo, June 23 KYODO—Japan and the United States will establish a Structural Impediments Initiative (SII) forum to follow up final commitments to be made in bilateral talks to remove structural barriers to trade and investment, government sources said Saturday.

The forum will be held twice a year with sub-cabinet level officials, like SII talks, the sources said. The SII talks enter their fifth and last round next Monday in Tokyo. The Japanese side will be jointly represented by vice ministers for international affairs for three ministries—finance, foreign, and international trade and industry, the sources said.

The U.S. side has said follow-up meetings for SII talks, initiated in July last year, should be held four times in the first year and progress reports should be filed. But because there already have been various bilateral meetings to promote free trade, the U.S. is now beginning to understand Japan's desire to hold such forum meetings twice annually, the sources said.

The next Tokyo SII talks will include discussions on the functions and role of the SII forum, over which the two countries still disagree, the sources said. Japan wants the forum to limit discussions on a final SII report to be made during or after the Tokyo talks. The forum should be more casual and not produce reports, the sources said. But the U.S. has insisted that discussions at the forum should have a certain binding power by producing reports, the sources added.

Public Asked To Endure 'Pain'

OW2806164390 Tokyo KYODO in English 1623 GMT 28 Jun 90

[Text] Tokyo, June 29 KYODO—Prime Minister Toshiki Kaifu asked the Japanese public on Thursday to endure any "pain" resulting from pledges made in just-concluded trade talks with the United States, saying that overall the measures are for the good of Japanese consumers, the nation, and the world.

"I am well aware that the implementation of the Japanese measures contained in the final report may encounter difficulties and the process may also be painful," Kaifu said in a statement released at the conclusion of four days of marathon talks.

"However, these measures are intended to achieve a major reform of the Japanese economy in the consumers' best interests," Kaifu said in the statement read by Chief Cabinet Secretary Misoji Sakamoto. "I ask for the further understanding and cooperation of the people of Japan," he said.

Kaifu said pledges to adjust the way Japan conducts business and trade will also contribute toward a more stable global economy, and improve the "global partnership" between Japan and the United States.

Kaifu said the Structural Impediments Initiative (SII) talks, aimed at breaking down barriers to increased trade and investment and ultimately reducing America's 49 billion trade deficit with Japan, would also be appreciated by other countries.

In the final 38-page report released late Thursday, Japan agreed to make it easier to establish large-scale retail stores, and pledged to take a tougher stance against violators of the antimonopoly law. Japan will also establish a commission to promote imports, and will increase public works spending, the report said.

Kaifu said he strongly hoped that U.S. President George Bush would exercise his leadership in boosting U.S. competitiveness, and eliminating the nagging budget deficit. He said he highly appreciated Bush's statement Tuesday on the need to boost tax income.

Deputy Chief Cabinet Secretary Nobuo Ishihara told a news conference that he expected trade friction, a persistent feature of Japan-U.S. relations in recent years, to be decreased as a result of the efforts of the two economic giants. The implementation of the report is expected to bring about a decline in the U.S. trade deficit with Japan, he said.

In a separate policy statement, the government vowed to facilitate foreign investment in Japan by amending necessary laws. There is an imbalance in the level of foreign investment in Japan, which remains low, and overseas investment by Japanese firms, the statement said.

It welcomed greater foreign investment in order to increase Japan's interdependence with the rest of the world. "The Japanese Government will actively pursue various measures, thereby making clear the openness of the Japanese market and facilitating entry of foreign firms into this country," it said.

Among the measures cited were amendment of the foreign exchange control law and provision of information on Japan's investment environment. The government will also encourage private businesses to introduce more transparent business practices, the statement said.

Foreign Minister Comments

OW2806161790 Tokyo KYODO in English 1600 GMT 28 Jun 90

[Text] Tokyo, June 29 [date as received] KYODO—Foreign Minister Taro Nakayama said Thursday a package of measures contained in the final report on Structural Impediments Initiative (SII) talks with the

United States will benefit the Japanese consumer and improve the quality of life in Japan.

Nakayama said in a statement the report marks the conclusion of a yearlong thorny issue pending between the two countries. He said Japan and the U.S. have ushered in a new "global partnership" by finalizing the report, which incorporated a number of measures to improve Japan's economic structure.

The SII talks represented a crucial process both in preserving and strengthening Japan's relations with the United States, its most important trading partner, and in ensuring less tense and more harmonious relations between the Japanese economy and those of the rest of the world, the foreign minister said.

Efforts made to further improve the Japanese economic structure in line with these SII talks will enhance the quality of Japanese life and benefit consumers, he said, adding the government of Prime Minister Toshiki Kaifu will take the initiative in implementing the measures.

In addition, the statement called for the United States to squarely tackle improving structural reforms, including a cut in federal budget deficits.

Another statement announced the same day by the secretary general of the ruling Liberal Democratic Party (LDP), Ichiro Ozawa, echoed the government's appreciation for the report and pledged it would carry out the measures concerned.

Opposition Criticizes Decision

OW2806155890 Tokyo KYODO in English 1522 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Opposition parties on Thursday issued statements criticizing a final report on the just-ended Japan-U.S Structural Impediments Initiative (SII) talks. Shigeru Ito, chairman of the Policy Board of the Japan Socialist Party (JSP), said in a written statement that the expansion of Japan's public works spending pledged in the report will not necessarily help reduce Japan's huge trade surplus with the United States.

The JSP believes that the government should promote social and economic reforms to develop public facilities, he said. The largest opposition party is preparing a draft to revise the antimonopoly law because the final SII report has failed to incorporate sufficient measures to strengthen Japan's antimonopoly policies, Ito said.

The No. 2 opposition party, Komeito, said that the final report will help dispel economic friction and distrust between Japan and the United States for the time being. Takenori Kanzaki, chairman of the party's policy board, nevertheless criticized the report, saying it mainly focuses on the amount of Japan's public works spending and lacks ideas and policies on how to guide Japanese society into the 21st century.

Mitsuhiro Kaneko, chief of the Secretariat of the Japan Communist Party, said the SII talks aim only at solving conflicts between big enterprises of the two countries at the expense of the Japanese people. The final report clearly shows the Japanese Government's subservient stance to the U.S., Kaneko said.

The chairman of the Democratic Socialist Party's policy board, Kansei Nakano, said that the Japanese Government should give priority to improvement of the people's livelihood when implementing the public works spending pledged in the final report.

Miyazawa Meets Kaifu, Proposes U.S. Study

OW2906144490 Tokyo KYODO in English 1412 GMT 29 Jun 90

[Text] Tokyo, June 29 KYODO—Former Finance Minister Kiichi Miyazawa on Friday proposed a joint Japan-U.S. intensive study of factors behind the persistent economic frictions between the two countries. Miyazawa, in a 40-minute meeting with Prime Minister Toshiki Kaifu, expressed doubt that the trade imbalance between Japan and the United States, long in favor of Japan, will be redressed through the just-concluded agreement on structural reforms alone, officials said. Kaifu told reporters later that Miyazawa's proposal was useful.

In the yearlong structural impediments initiative (SII) talks concluded Thursday, Japan pledged to spend 430 trillion yen in public works for the coming 10 years, promote supplies of land for housing, prevent unfair trade practices, and other measures aimed at removing structural barriers to trade and investment.

In the final SII report, the United States promised to reduce federal budget deficits, promote research and development efforts, encourage savings among Americans, and to help corporations acquire export competition.

Miyazawa called for a probe into the true cause of the frictions and for joint efforts by Japan's Economic Planning Agency and the council of economic advisers to U.S. President George Bush. Miyazawa urged Kaifu to try to make arrangements for such an effort during a meeting with Bush in Houston, Texas on July 7. Kaifu and Bush are meeting prior to the Houston summit of leaders of seven major economic powers on July 9-11.

The former finance minister also requested that Kaifu take the leadership in upgrading the ratio of investments aimed at improving the quality of life for Japanese in general through public works spending as envisaged in the SII final report. As a funding source for such public works programs, Miyazawa advocated a tax on land holdings.

Miyazawa asked for the prime minister's prudence in extending economic assistance to the Soviet Union, saying the Soviets, with their large outlays for military purposes and their economic support for Cuba, will not necessarily use aid to increase the production of daily necessities now in short supply.

Miyazawa is to lead an interparty parliamentary delegation which will leave here July 12 on a 10-day visit aimed at holding talks with U.S. Government leaders, including Bush and Secretary of State James Baker, as well as congressional and business leaders.

Institute Says Greater Spending Will Do Harm

OW2506125790 Tokyo KYODO in English 1124 GMT 25 Jun 90

[Text] Osaka, June 25 KYODO—Japan should not succumb to U.S. pressure to increase infrastructure spending, which will not only threaten the nation's economic health but hurt economic activities worldwide, a private research institute said Monday. Sanwa Research Institute Corp. said in a report that, instead, Japan should boost its capital exports in order to make a greater contribution to the international community.

The report came as a challenge to a U.S. demand at the Structural Impediments Initiative (SII) trade talks that Japan substantially increase its expenditure on roads, parks and other areas of its infrastructure to reduce its huge external trade surplus.

It said greater infrastructure expenditure will do more harm than good to the Japanese economy, accelerating inflationary pressures, reducing savings, raising interest rates, and denting corporate spending. Rather, it added, Japan should put aside its money for overseas borrowers to help upgrade their supply capabilities and boost their competitiveness in international markets.

The report said Japanese money is also needed to make up for the worldwide savings shortage, which has been caused by excessive spending and is mainly blamed for rising interest rates around the world.

It stressed that Japan's role as fund provider will become even more significant in coming years, as the East Bloc nations are stepping up efforts toward more market-oriented economies.

Prime Minister Kaifu Holds News Conference

OW2806141790 Tokyo NHK General Television Network in Japanese 0601 GMT 28 Jun 90

[News conference held by Japanese Prime Minister Toshiki Kaifu with unidentified reporters of the Cabinet press corps at the prime minister's official residence in Tokyo—live]

[Excerpts] [Video shows Kaifu seated at a table facing the press corps]

[Reporter] Now, we will begin Prime Minister Kaifu's news conference with the Cabinet press corps. This news conference is tentatively scheduled to last approximately one hour.

Mr. Prime Minister, at the last special Diet session both the government-proposed bill for a review and the opposition-motioned bill calling for the abolition of the consumption tax were rejected, thus leaving the current system intact for the time being. Now, regarding this issue, a consultative body composed of the government and opposition was inaugurated. What are your thoughts about the situation in which the current consumption tax is left intact, and when do you want to see a conclusion drawn at the government- opposition consultative body? [passage omitted]

[Reporter] I want to ask you another question in connection with political reform. Former Prime Minister Nakasone, who quit the Liberal Democratic Party [LDP] because he was implicated in the Recruit case, has returned to a faction. People argue that his return to the LDP should also be approved. In your capacity as party president, what do you think about this issue?

[Kaifu] The former prime minister and concurrently party president voluntarily left the party. Factions are not formal organizations of the party. He had his position as the first president of a faction. The head of the faction [Michio Watanabe] recently commented that, as far as Seikakken [Political Reform Research Association] is concerned, Mr. Nakasone is regarded as its longstanding member. But the party has not heard about his return to the party. [passage omitted]

[Reporter] Next, I will ask you about the rice import liberalization issue. It appears that the agricultural talks at the Uruguay Round of the GATT next month will take up the so-called introduction of tariffs in agricultural protection policy with an eye on a final agreement toward the end of the year. It is also understood to be high on the agenda at the Houston summit next month. Under these circumstances, it is expected that moves calling for the opening of the Japanese rice markets will become more active. Moves are also afoot at home calling for partial liberalization of the rice market. Thus, it now appears that the so-called food security theory, traditionally maintained by the government, will no longer hold good. Please tell us how you intend to deal with this rice market liberalization issue.

[Kaifu] With regard to the rice issue, agricultural specialists from the LDP have toured the United States and Europe for surveys and investigated various situations in close detail. At the recent OECD ministerial council meeting, this issue was also debated in depth. At that meeting, nations stated respective positions on and discussed so-called matters of nontrade interest [hiboekiteki kanshin jiko] from their respective viewpoints on food security. Last November, from its viewpoint regarding food security, the government proposed grain supply adjustment measures [kokkyo chosetsu sochi] for maintaining the necessary domestic production level for fundamental foods. As you all know, a Diet resolution has been adopted by both the lower and upper houses. Therefore, it has been the government's policy to make self-sustenance a principle governing fundamental foods. However, in the future the government will continue consultations with other nations in such a way that Japan's position as a food importer is properly understood.

[Reporter] Next I will ask you about the defense issue. It appears that the next-term defense buildup plan, which starts next year, will be prepared at the second National Security Council meeting tomorrow. While the international situation is undergoing drastic changes, what do you think about the next-term defense buildup plan? In a similar vein, what do you think about the issue of reviewing the Defense Program Outline?

[Kaifu] At the last Diet session all parties quite earnestly debated the changes in the international situation, and the government also stated its frank views. As symbolized in Europe, particularly in Germany, the so-called East-West conflict and confrontation have started moving in a new, good direction—toward relations of dialogue and cooperation. At summit talks accord was reached on various plans for the reduction of arms. I think that this is a very good direction, and the government is frankly welcoming and watching these changes in the international situation.

Regarding its defense capability, Japan, as you know, was absolutely not so conceited as to obtrusively commit itself abroad, siding with one side and offering its service during the era of East-West conflicts and confrontations. Japan has rather been building up its moderate defense capability, under the big pledge of civilian control for defense, exclusively for self-defense and not to become a military power posing a threat to other countries. This is premised on the Japan-U.S. Security Treaty to the bitter end. As a matter of fact, Japan has been defending peace as a deterrence force in interaction with the Japan-U.S. Security Treaty. No conclusion has yet been drawn on what to do with Japan's defense now that the East-West conflict and confrontation have ended. As you mentioned, the National Security Council has now begun debating how the changes in the international situation will impact and if peace and security will come to the Asian and Pacific region as immediately as it did in Europe, as well as from which angle Japan's security should be viewed. At the same time, regarding the issue of the Japan-U.S. Security Treaty, the treaty has not only secured Japan's peace and security, but also many hold the view that Asian nations appraise the role of the security treaty in keeping Asia in peace and security.

At a recent satellite television round-table talk, in which top leaders of Asian nations took part, a certain Asian prime minister said that the framework of the Japan-U.S. Security Treaty is necessary—a positive factor—for the Asian nations. He said that if the treaty goes out of existence, concern may brew not only in terms of the economic potential but also in some other areas. The security treaty is a framework that has contributed to the peace and security not only of Japan but also of Asia. From the standpoint of continuing to secure peace and security for the people, I want to draw a conclusion at the National Security Council on the defense plan, including the handling of its outline, after making overall examinations of our financial and economic circumstances and the changes in the international situation. [passage omitted]

[Reporter] How about a Cabinet reshuffle? When are you considering it?

[Kaifu] With respect to that question, I am not thinking about it.

[Reporter] Next, I would like to ask you about the Japan-U.S. Structural Impediments Initiative [SII] consultations. In connection with the issue of expanded public works investments, which was a focal point, you seem to have made a decision last night, bringing the issue to a settlement at an aggregate total of 430 trillion yen over the next 10 years. There are many who are worried that, in managing the Japanese economy in the days ahead, such new problems as [words indistinct], raw materials, tax increases and national bond issuance will arise. What are your thoughts about this?

[Kaifu] One of the big issues that remained unsettled at the Japan-U.S. SII consultations was the aggregate total of public works investments, as you mentioned. Both sides exchanged views in various ways and strove to reach a common understanding. On the Japanese side, as you know, I instructed the Economic Planning Agency [EPA] to set up a panel to study the total amount of public investments with an eye to the 21st century. A major premise in debates at the panel was that there should be no inflation. Financial resources were also taken into consideration. We have taken a first step toward financial reform to end our dependence on deficit-covering public bonds. Therefore, I requested that the panel hold debates while giving thorough consideration to the financial resources question as well.

But Japan and the United States stated their various wishes to each other and, on the part of the Japanese side, we made various efforts to the very limit. As a consequence, we came up with that upper limit or figure of 15 trillion yen for flexible handling after taking into consideration the economic situation and all other conceivable conditions in the 10-year estimate. We thus reached a mutual understanding on that upper limit or figure. Of course, we will take measures, paying thorough attention to the development of the situation each time so as not to bring about inflation under any circumstances. With regard to the question of financial sources, I want to work out measures, giving consideration to all circumstances at the time the budget is formulated each year.

[Reporter] My question concerns the Japan-U.S. SII talks. At the time of the interim report, Mr. Prime Minister, you said you would come to grips with Japan's structural reform, assuming a posture of attaching importance to consumers. Taking a look at the situation of how the talks were settled this time, however, the prime minister made a final decision under strong pressure from the U.S. side. In the people's eyes, it looks like a repetition of the same pattern that has continued thus far. In this connection, I believe that the people frequently ask if Japan cannot build a consumer-first society through its independent efforts.

[Kaifu] I hope you will understand this point very well. The government never began talking about attaching importance to consumers because the Japan-U.S. SII consultations began. To date, there has been considerable criticism that, unless Japan independently changes its social structure, individual citizens will not actually feel the affluence even if the country becomes affluent in terms of figures. Arguments have been made in real earnest for several years now that the economic structure must be reformed. One of them is the so-called Maekawa Report on economic structural adjustments. Japan has made various efforts to date within the framework of that report. This time Japan put demands to the U.S. side concerning seven items in broad categories, and the United States brought up six items in rough classifications as its demands to Japan. Both sides put forward their respective ideas. They exchanged requests and demands, saying and asking: How about this one and how about that one? I am not sure if this should be viewed as pressure or not. Japan, for instance, has strongly insisted to the U.S. side that the U.S. fiscal deficit is too salient. Japan put forward the idea that U.S. efforts to cut back its fiscal deficit are important not only to the United States itself but also to all countries of the world and the world economy. The United States has been actively addressing the issue.

When I called President Bush yesterday, I did not use pressure, but I asked him to exert various efforts independently and make a final decision. The Finance Ministry informs the Department of the Treasury of the result neatly, and the Foreign Ministry brings up other pending issues to the Department of State. When we mentioned various things, they also told us that they did their best with regard to the things pointed out by the Japanese side. Regarding the reduction of fiscal deficits, in particular, the President told me that he would make a statement and carry out measures, including tax increases. I think it was a manifestiation of a very active attitude and I highly appraise his effort to produce such concrete results. They did so not because the Japanese side had pointed things out or exerted pressure. The issues were brought up in the course of exchanging views, but the U.S. side issued the presidential statement independently, announcing its plans to reduce fiscal deficits by doing certain things.

Please do not construe that our side began talking about consumers under pressure because the SII talks began. Then you may say that the beginning and ending are different, that the interim report and the final report are different. The important thing is to discuss how to increase the consumers' benefits as much as possible, how to improve the quality of life and how to strive to improve the quality of life. The important thing is, after all, to obtain a common understanding. So please take it not as pressure but as independent efforts to improve the quality of life at home. We both made efforts. I hope you will understand it that way.

[Reporter] Next, I would like to ask questions concerning the Houston summit, which is scheduled to begin on 7 July. As has just been mentioned, the upcoming summit will be held amidst the drastic changes in the international situation centered on the Soviet Union and East European nations. Therefore, it is felt that this summit will be of greater political significance than ever before. Mr. Prime Minister, what issues will you take up as major topics for discussion with top leaders of various nations at the summit? I would like to ask your views on this point.

[Kaifu] For one thing, when I attended the summit talks for the first time as chief secretary of the cabinet, it was at a time when the Western nations had fallen into economic stagnation. Therefore, I remember it was an economic conference on how to promote the economy without causing inflation. As years went by, the summit began to take up political issues as well. At the same time, we now no longer deal merely with policy coordination among the Western nations at the summit. When recent summits are taken into consideration, it can be noted that issues of a global scale have been discussed and dealt with.

In this connection, concerning economic problems, I think such issues as support for East European nations and issues related to the Soviet Union will be brought up as major topics for discussion at the summit because many of the participating Western nations are European. Concerning the issue of supporting the East European nations, and other questions as well, I have already met and exchanged views with top leaders attending the summit.

Since Japan is the only Asian nation to participate in the summit, we should note that stability and prosperity in the world economy certainly impact on Asia. Various arguments will probably be exchanged with regard to world peace and prosperity. For example, there is the issue of China. The Asian region now enjoys a considerably high economic growth rate, even on the average, in the framework of the overall world economy. There will be the issue of what should be done to further stabilize this potential vitality. These and other issues will be raised.

At the same time, not only economic issues but other issues related to the economy will be brought up. For example, I think various issues of an international or global level, including the global environmental issue, the drug issue, the terrorism issue, or the accumulated debts issue, will be brought up. In this regard, I plan to actively participate in discussions of these issues and state my views on what role Japan can perform. Now that the age of conflict and confrontation has come to an end, the world is moving toward stabilization.

Furthermore, there are nations that are trying to shift their emphasis to the values of liberty, democracy and a market economy. For instance, we would like to listen carefully to ideas the European leaders have in mind about the moves taking place in the Soviet Union and what measures they plan to take. I would like to join in the discussion on the issues concerning the world as a whole and find out what measures can be taken to settle them.

[Reporter] My question concerns the summit. Mr. Prime Minister, as you have just mentioned, in our relations with China, attention is now centered on the issue of resumption of the third yen-based loans to China. Do you plan to decide on resuming the loans at the summit with the consent of the participating nations, or do you plan to decide on the resumption on the basis of Japan's independent position, not adhering to the summit participants' views?

[Kaifu] This issue does not involve obtaining either the consent or green light to proceed at the summit. On the contrary, as I have mentioned in the beginning, our basic position is that while dealing with various problems in Asia, it would be undesirable to isolate China. It will be necessary to ask the Chinese side to properly implement its open and reform policies and make efforts to turn these policies into fixed systems. It would not be desirable to allow the differences between China and the West to expand. Although different nations may have different views on the relationship, I would like to frankly state my views at the discussions. I feel that Japan must act on the basis of its own independent ideas, and I am planning to strongly explain Japan's independent views at the Summit.

As far as China is concerned, it has recently released Fang Lizhi and students who had been arrested. Wang Xuezhi, a Chinese writer, whose wife is French, was also released, at the same time as Fang Lizhi. China has taken such new and favorable moves as those just mentioned. In this connection, concerning such efforts made by China in promoting its reform and open policies and in improving its relations with other nations in the world, I would like to state my views in a positive way, listen to the views of other summit participants, and discuss the issue with them.

[Reporter] Next, I would like to ask some questions concerning diplomacy. My questions involve three points connected with Japanese-Soviet relations. First, Mr. Prime Minister, you stated the other day, at a seminar held for women members of the LDP, that President Gorbachev is expected to visit Japan as early as the beginning of next year. My first question is whether there will be any changes with regard to the prospects for his visit.

My second question concerns Foreign Minister Shevardnadze's plan to visit Japan in September to pave the way for President Gorbachev's upcoming visit. What is your position on handling Japan's diplomacy with the Soviet Union, including the Soviet foreign minister's scheduled visit to Japan?

And my last question concerns the report that Mr. Abe or Secretary General Ozawa [of the LDP] will pay a visit to the Soviet Union one of these days. What do you think about your own visit to the Soviet Union, Mr. Prime Minister? I would like to ask your views on these three points.

[Kaifu] Concerning the first point, there have been many visits of various kinds exchanged between Japan and the Soviet Union recently. We have received many messages. In fact, when such figures as PRAVDA's chief editor and Deputy Premier Biryukov visited Japan, messages stating their optimistic views about Japanese-Soviet relations were delivered to me. I told them that I wanted to be optimistic, too, and therefore, I heartily requested their cooperation so that I could have reason for optimism.

It is certain that Foreign Minister Shevardnadze will visit Japan in September. As for President Gorbachev's visit, it is clearly stated in his personal message addressed to me that he will pay a visit next year. However, the definite date, i.e., which month and which day, has not been decided yet. Based on various pieces of information I receive, and maybe because of my wishful thinking, I cherish a strong belief that it would be desirable for him to pay an early visit. Despite such hopes, the definite timing remains to be settled.

Next is the question concerning the measures I will take now that President Gorbachev is scheduled to visit Japan next year. This concerns the messages that I received from various figures who visited us recently. Since the beginning of this year, I have been interviewed on three occasions, by IZVESTIYA, PRAVDA, and another journal whose title I have forgotten, the organ of the Komsomol. They asked me many questions, and I answered all their questions thoroughly in written statements because I have a strong wish to turn our relationship into a genuninely friendly and permanent one.

Our major preconditions still include the territorial issue regarding the return of four islands, and the issue concerning the conclusion of a peace treaty. However, we do not mean that because these issues still exist, we insist that nothing can be done until they are settled. In this connection, we invited economic study groups to visit Japan in November of last year and also in April of this year, and we had (?discussed) various problems with sincerity. In addition, we have also responded to possible, practical, and personal exchanges as much as possible. In a word, I have always stated in the interviews that we cherish the aspiration to further promote our relations with the Soviet Union based on the principle of balanced expansion so as to establish genuinely friendly relations. In this connection, we have plans for our foreign minister to visit the Soviet Union to return the Soviet foreign minister's visit to Japan.

Based on these accumulated efforts, we would like to have President Gorbachev pay a visit to Japan early next year. And at the same time, we want to cherish his visit as a turning point in improving the relations between our two nations. Therefore, as you have just pointed out, various party or private-sector delegations are scheduled to visit the Soviet Union, and I feel that for the sake of the friendly relations between our two nations, their visits will be of great significance, as they would add to these accumulated efforts, and I hope that such visits will continue to be exchanged. When President Gorbachev visits us, and if it is deemed necessary, I will also consider paying a visit in return.

[Reporter] Mr. Prime Minister, my next question concerns the situation on the Korean peninsula. There have been new moves toward relaxation of the tension on the Korean peninsula, such as the talks held recently between ROK President No Tae-u and President Gorbachev. As far as Japan is concerned, what measures will be taken in regard to the situation on the Korean peninsula?

In particular, concerning North Korea, with whom we do not maintain diplomatic relations, and with whom we still have such pending problems as the No. 18 Fujisan Maru issue, does the government have any concrete plans to break the ice in our relations with North Korea? I would like to ask your views on these points.

[Kaifu] When it comes to the issue concerning the Korean peninsula, I would like to speak highly of the talks we had during ROK President No Tae-u's recent visit here as a major turning point, and I myself have frankly conveyed our apologies based on our understanding and examination of history. Meanwhile, President No Tae-u mentioned that we should put an end to the past incidents caused by history and that we should become partners, as we are nations with a close relationship, and neighbors. In the future, I think it will be important for us to continue discussing various issues at summit talks. At the last summit talks, I explained to President No Tae-u my understanding of the history of the Korean peninsula and also of various other matters.

As for the North Korean Government, our government has long wanted, and wants even today, to have governmental contacts so as to hold talks on various issues without setting any preconditions. As you have just mentioned, there are such practical problems as the No. 18 Fujisan Maru issue. It has been a long time since this incident took place. Also, whenever Dietmen—either of the LDP or of the Japan Socialist Party [JSP]—who are scheduled to visit North Korea call on me, I have always informed them accurately of the government's views so that our opinions can be conveyed correctly to the North Korean side.

We have heard President No Tae-u expressing his aspirations for the peaceful reunification of the Korean peninsula. We have also heard the people of both North Korea and the ROK residing in Japan voicing their wishes to cooperate with each other so as to maintain friendly relations. I think all the people on the Korean peninsula share the same hopes, and these hopes should be realized by all Koreans on the basis of their independent will. However, if there should be anything we could do to be of help, we would do everything possible to provide our cooperation. As a major prerequisite, as I have just mentioned, we would like to have governmental contacts without setting any conditions so that talks could be started. This is how I feel at present. Furthermore, there will be no changes at all to the conception of our North Korean policy as decided by our government during the former administration under the Takeshita cabinet.

[Reporter] Are there any other questions?

[Second reporter] I have a question concerning the summit.

[Kaifu] Yes, please.

[Reporter] Mr. Prime Minister, you stated just a little while ago that concerning our relations with the Soviet Union, we would continue to accumulate practical experience. I think that as the summit approaches, there is a rapidly growing move toward providing support for the Soviet Union, including direct economic cooperation, in addition to providing support for East European nations. As far as our nation is concerned, we still have the northern territorial issue. I would like to ask how you plan to deal with the issue concerning the support for the Soviet Union at the summit.

[Kaifu] Concerning the issue of supporting the Soviet Union, it should be noted that the Soviet Union has made various moves recently. For example, it has indicated its intention to be admitted into the GATT even as an observer, and it has also stated its concept of introducing a free market-oriented economic system. In this connection, when it should become necessary, and when the opportunity for such a need should arise, Japan will be ready to positively do what is possible, including extending economic cooperation. Of course, we should be ready to do this.

However, as you have just mentioned in your questions, Japan's position is different from that of the other nations participating in the summit because we still have the territorial issue and the peace treaty issue. At the same time, this will also involve the issue of support for the nations that have begun to democratize. It still remains unclear what system or what structure these nations will introduce.

In this connection, I am concerned with regard to the Soviet economic reform study groups that we have invited to visit Japan on two occasions since last year. After observing the Japanese economic structure, I wonder how they feel about it and what they have in mind as to whether the Japanese economic system can serve as a good model for the restructuring or perestroyka that is being implemented in the Soviet Union now. There are still a few points that I cannot understand well.

At any rate, concerning such intellectual or personal exchanges or visits by study groups, we have always complied with their requests. If there should be anything we could do to be of service, we are ready to do whatever we can. Nevertheless, there seems to be a difference in views among the nations participating in the summit. Therefore, I would rather earnestly listen to their views and arguments, and make a thorough analysis of them.

However, I think the policy of perestroyka being implemented in the Soviet Union is moving in a favorable orientation and I hope that the Soviet Union will succeed in implementing it and turn it into an established system. On this point, I think my aspirations are just the same as the wishes of other leaders attending the summit. This is how I feel now.

[Reporter] Are there any other questions? [brief pause] Well, then, we will now conclude the news conference. Thank you very much.

[Kaifu] Thank you very much.

Dual-Use Technology Flows Increase Possible

OW2206210490 Tokyo KYODO in English 1527 GMT 21 Jun 90

[Text] Washington, June 21 KYODO—Japan is prepared to increase flows of dual-use technologies to the United States, special envoy Shintaro Abe said Thursday. Abe, a former foreign minister, also told Defense Secretary Dick Cheney that Japan's ruling Liberal Democratic Party is ready to help boost Japan's support for U.S. troops in Japan, a Japanese official said.

Abe had talks with Cheney for 30 minutes at the Pentagon during which they also discussed the explosions and fire aboard the U.S. aircraft carrier Midway. The Japanese official said Abe expressed his condolences for the victims of the accident. Two crewmen died and 16 others were injured in the accident. Cheney told Abe the fire was "isolated and limited," the official told reporters.

Cheney and Secretary of State James Baker jointly hosted a luncheon for Abe at the State Department Wednesday to commemorate the 30th anniversary of the revised security treaty between the two countries. The 30th anniversary falls on June 23.

Ministry Plans Deregulation of Deposit Rates

OW2906144190 Tokyo KYODO in English 1421 GMT 29 Jun 90

[Text] Tokyo, June 29 KYODO—The Finance Ministry has told banks and other financial institutions that it plans full deregulation of deposit rates within at least three years, a senior ministry official said Friday. The move is in line with a report presented earlier by a group of advisers serving the director general of the ministry's banking bureau calling for early elimination of regulations on deposit rates.

The timing of lifting controls on deposit rates is now at the center of a dispute between Japan and the United States in the area of financial services as Washington has urged Tokyo to dismantle the remaining regulations within a year.

The official, who requested anonymity, said the timetable for deposit rate deregulation was decided upon in view of U.S. demands despite differences among domestic institutions over timing of such liberalization. "I can't say such differences have been ironed out. But we have no choice but to come up with this schedule because of conditions in and outside Japan," the official said.

According to the official, full deregulation of deposit rates will be carried out with a transition period during which regulations on rates on deposits of 3 million yen or more will be scrapped through relaxation of rules on money market certificates (MMCS).

The relaxation of rules on MMCS will be implemented in three stages—by allowing introduction of new types of MMCS with rates closer to market rates on November 5, by lowering the minimum unit of MMCS to 500,000 yen from the current 1 million yen next April and by making MMCS offered in units of 3 million yen free of any deposit rate controls in the autumn of 1991, the official said.

But the three-year timetable could throw smaller banks into confusion as they are more dependent on deposits with regulated rates to raise funds. For this, smaller banks have demanded such deregulation be done at least over a five-year period.

Mitsubishi To Help Citibank Expand Network

OW2306055190 Tokyo KYODO in English 0403 GMT 23 Jun 90

[Text] Tokyo, June 23 KYODO—Mitsubishi Bank has agreed with the U.S. commercial bank Citibank N.A. to help expand its branch network in Japan, Mitsubishi officials said Saturday. As a first step under the agreement, Mitsubishi will rent Citibank about half the space in its Osaka branch office to be reconstructed soon, the officials said.

They said Mitsubishi will also provide similar help at some 10 branches in the Tokyo and Osaka metropolitan areas if rental terms are agreed upon. The officials said the two banks are also studying the possibility of joint business expansion in the United States, but did not elaborate.

Citibank wants to increase its branch offices in Japan, but inflated land prices and the lack of office space have made it difficult to do so.

Mitsubishi reportedly agreed on the business deal with Citibank because of fears that difficulties facing Citibank in opening new branches might develop into another trade dispute between Japan and the United States in the financial area. Analysts said the Mitsubishi-Citibank accord could develop into closer business ties between the two commercial banks.

Microprocessor To Be Developed With U.S. Firms

OW2906125790 Tokyo KYODO in English 0311 GMT 29 Jun 90

[Text] New York, June 28 KYODO—A senior official of Toyota Motor Corp. said here Thursday that the company has agreed with five U.S. chipmakers on joint development of a 16-bit microprocessor and other semiconductor products for Toyota cars.

The five U.S. electronics firms are Motorola Inc., Texas Instruments Inc., Intel Corp., International Rectifier Corp. and National Semiconductor Corp., said Hiroshi Arai, director of Toyota's electronics division.

Under the agreement, Toyota will purchase 4.8 billion yen worth of jointly developed semiconductor products in 1992, giving a boost to the foreign share in the company's procurement to 10.9 percent from the current 2 percent, Arai said.

"Prices of U.S.-made semiconductor products are higher than those made elsewhere. Their delivery is always delayed. But we decided to increase the use of foreign products as evidence of our readiness to cooperate with the global community," said Arai, who was in charge of negotiations on the joint project.

Nakayama on Changes in Asia in Next Six Months

OW2306112490 Tokyo KYODO in English 1101 GMT 23 Jun 90

[Text] Oita, June 23 KYODO—Foreign Minister Taro Nakayama on Saturday predicted "big changes" in Asia over the rest of the year and hinted that North Korea will eventually be swept by the tide of democratization. "In my view, Asia will still see some big changes over the next half year," Nakayama told an audience of citizens of this provincial capital in Kyushu, the southernmost of Japan's four main islands.

Nakayama, speaking in a foreign policy panel discussion, noted that the first Asian country ever to embrace socialism, Mongolia, has now turned its back on the Soviet model and is moving in the direction of liberalization and democratization.

As for North Korea, he said, Pyongyang is faced with a new situation in the wake of the historic meeting between Soviet President Mikhail Gorbachev and South Korean President No Tae-u in San Francisco earlier this month. "Until only recently, North Korea was a recipient of Soviet aid and relations between the two countries were extremely deep," Nakayama noted. "Now the North Koreans have been taken by surprise and they are wondering what is going to become of the situation," he said.

As an indication of worsening ties between Pyongyang and Moscow, Nakayama noted that North Korea recently expelled a correspondent of the official Soviet TASS NEWS AGENCY.

The foreign minister said he has no doubt that the imminent changes in Asia will be in the direction of "freedom, democratization and internationalization."

Pro-Democracy PRC Students Seek Visa Extension

OW2906071190 Tokyo KYODO in English 0357 GMT 29 Jun 90

[Text] Tokyo, June 29 KYODO—Sixteen Chinese students enrolled at universities, colleges, or language schools in Japan are seeking visa extensions and four others are overstaying their visas saying they do not wish to return home because of their involvement in pro-democracy activities, the government said Friday.

The figures, which are as of June 21, were revealed in a government written answer to a question by Tetsuo Kitamura, a Japan Socialist Party member of the house of councillors. It said the government will deal with applications for visa extensions on a case-by-case basis, taking various circumstances into consideration. But it said the government will forcibly deport Chinese students illegally staying in Japan as provided for by the Immigration Control and Refugee Recognition Law.

The paper added, however, that Japan will not send deportees to places where their lives or freedom might be threatened because of their political opinions.

According to the government, some 15,600 Chinese students are studying at such educational institutions as universities and 35,300 others are enrolled at Japanese-language schools.

Defense Agency Says USSR Still Poses Threat

OW2906133190 Tokyo KYODO in English 1306 GMT 29 Jun 90

[Text] Tokyo, June 29 KYODO—Soviet Armed Forces in the Far East are a stumbling block for stability and confidence building in the region and still pose a potential threat to Japan, the Defense Agency said Friday. Akira Hiyoshi, director general of the agency's Defense Policy Bureau, was speaking at a Security Council session to brief Prime Minister Toshiki Kaifu and eight of his cabinet members about military affairs in the Far East.

Hiyoshi called the military situation in the region as "unstable and fluid," officials said. Kaifu, Foreign Minister Taro Nakayama, Chief Cabinet Secretary Misoji Sakamoto and Defense Agency Director General Yozo Ishikawa were present.

The five other cabinet members attending were Finance Minister Ryutaro Hashimoto, International Trade and Industry Minister Kabun Muto, Economic Planning Agency Director General Hideyuki Aizawa, Science and Technology Agency Director General Tomoji Oshima, and National Public Safety Commission Chairman Keiwa Okuda, officials said.

Kaifu and the eight ministers were meeting to continue discussions aimed at devising Japan's next multiyear defense plan, which will commence in fiscal 1991. The Security Council convened its first session on June 19. The new defense plan will succeed the current 18.4 trillion yen five-year defense buildup program which ends in March 1991. The Security Council of Japan serves as the country's supreme defense policy board.

Following Hiyoshi's briefing, the cabinet members discussed the Defense Agency's assessment of Soviet force movements and war potential in the Far East, officials said.

Noting the historic changes now sweeping Europe, Hiyoshi spoke positively about progress in U.S.-Soviet arms control talks aimed at reducing both strategic arms and conventional forces, officials said. However, he said the overall situation is different in Asia and Europe and claimed that inter-state relationships are more complicated in Asia where the Soviet Union maintains powerful ground and naval forces.

Hiyoshi told the Security Council session that China also possesses enormous ground forces and war continues in Cambodia, implying that the situation in Asia is unstable and fluid.

Hiyoshi admitted that the Soviet Union is reducing its Pacific Fleet in numerical terms, but said the reduction is mainly in terms of aged warships and the Soviets are promoting efforts to both streamline forces and modernize weaponry.

At the June 19 session, the first since the end of the cold war in Europe, Foreign Ministry officials briefed the cabinet members about international affairs and said that instability and uncertainty could be expected to prevail internationally for some time.

The briefings by the Foreign Ministry and the Defense Agency will lay the foundation for the new defense plan which will come into effect next April. Japan's new defense plan is expected to cover a term of three to five years and to replace the 1986-1990 program which was based on the assumption that the international balance of power existing in 1985 would remain unchanged.

Mission to Sakhalin on 'Displaced' Japanese

OW2306092090 Tokyo KYODO in English 0859 GMT 23 Jun 90

[Text] Sapporo, June 23 KYODO—A Japanese Government mission will leave Niigata on Monday for the Soviet Far East Island of Sakhalin for the first official survey on Japanese displaced there at the end of World War II, officials said Saturday. The six-member delegation, led by a senior Foreign Ministry official, will arrive in Sakhalin's capital of Yuzhno-Sakhalinsk on Tuesday.

During their weeklong stay through July 4, the mission will meet with Japanese residents and ask about their birthdays, family registries, and developments leading to their displacement and whether they desire repatriation, the officials said.

An estimated 380 Japanese, married to Soviet or Korean nationals, still remain in Sakhalin, southern half of which were Japanese territory before and during the war, according to a Soviet survey. Japan's Health and Welfare Ministry discounts the tally to 281. A group of 12 Japanese living in Sakhalin, not on the government list of nonrepatriates, briefly returned home last month.

USSR Agrees on 'Dramatic Cut' in Salmon Quota

OW2206085490 Tokyo KYODO in English 0553 GMT 22 Jun 90

[Text] Kushiro, Hokkaido, June 22 KYODO—Japanese fisheries cooperatives reached agreement Friday with their Soviet counterparts that they will be allotted a salmon fishing quota of 1,000 tons for this year as the dividend of a Soviet-Japanese joint salmon-rearing venture, according to Japanese fishing industry sources.

The 1990 allocation, agreed on at bilateral talks in Sakhalin, marks a dramatic cut from 5,000 tons in 1989 and 2,000 tons in 1988, when the joint venture for artificial hatching of salmon began, they said.

On Saturday, 12 Japanese fishing boats will leave the port of Nemuro, eastern Hokkaido, to fish for salmon off Sakhalin throughout July. Japan and the Soviet Union agreed in late April that Japan would be allowed a northern Pacific salmon catch quota of 11,000 tons in 1990, down from 15,000 tons last year.

Exports of Copiers to USSR, East Europe Surge

OW2006151490 Tokyo KYODO in English 0315 GMT 20 Jun 90

[Text] Tokyo, June 20 KYODO—Japan's exports of copiers to the Soviet Union and East European countries are surging amid easing curbs on high-technology exports to the Communist Bloc and greater demand stirred by "special procurements" derived from democratic movements in Eastern Europe, industry sources said Wednesday.

During the January-April period of this year, Japanese exports of copying machines to these countries doubled from the same period a year earlier to total some 690 million yen, the sources said. In the same four months, Soviet-bound exports of the machines posted a five-fold increase to amount to 1,065 units, while those destined for Hungary more than doubled to 356 units, according to recent customs-clearance data released by the Finance Ministry.

The spectacular growth was achieved at a time when Japan's trade contracts with the Soviet Union and Eastern Europe through the country's 18 major trading houses sufferd a 3.6 percent decline in value in the January-April period. The decline came in the wake of an economic turmoil and dwindling foreign currency reserves amid political and economic changes in these reform-minded countries.

The sources predicted that the growing number of newly-privatized companies and accelerated moves to open information in the communist nations are expected to further boost demand for copying machines, creating a market worth tens of billions of yen a year in the near future.

Company To Gain Stake in Hungarian Firm

OW2306140290 Tokyo KYODO in English 1236 GMT 23 Jun 90

[Text] Tokyo, June 23 KYODO—Mitsui and Co. has reached basic agreement with the state-owned Borsodi Vegyi Kombinati Rt. (BVK) of Hungary for a 4 percent stake in the company, industry sources said Saturday. The company will be privatized shortly following the collapse of the country's previous communist government.

The capital participation is aimed at getting a strong foothold in the region to supply chemical products to the European Community (EC). Imperial Chemical Industries PLC (ICI) of Britain and other European giants currently dominate the market, the sources said.

BVK has a chemical complex at Kazincbarcika 250 kilometers northeast of Budapest, with about 6,000 employees, producing polyurethane, vinyl chloride, fertilizers and agrochemicals.

Under the accord, a chemical engineering firm in the Mitsui business group provides engineering know-how in September for construction of a factory with 25,000-ton-per-annum production capacity of polyurethane, widely used in car interiors, the sources said.

BVK, which plans to raise its capital to initial 140 million U.S. dollars from 50 million dollars, is requested to increase the investment total to 140 million dollars from the 2 million dollars just agreed on, they added.

Kaifu Claims Need To Increase DPRK Contacts

OW2006143090 Tokyo KYODO in English 1117 GMT 20 Jun 90

[Text] Tokyo, June 20 KYODO—Prime Minister Toshiki Kaifu said Wednesday Japan will continue to pursue contacts with North Korea [DPRK], despite the lack of response from Pyongyang. North Korea has not expressed a positive attitude, Kaifu told an annual meeting of media executives, but added "we must continue with our efforts."

In a wide-ranging speech, Kaifu indicated he intends to take political reform further than the recommendations made so far by his Special Advisory Committee. The committee has urged a replacement of 3-5-member constituencies with single-seat electoral districts, and tighter rules for fund raising.

He told the executives he is waiting for breakthrough in discussion among political parties on proposals to move the government center out of Tokyo in order to reduce urban congestion.

"If there are any new developments I hope to make headway on land taxation policies and incentives" for decentralization, he said.

Last week, National Land Agency Director General Moriyoshi Sato said that the Diet may pass a resolution calling for it to move out of Tokyo. However, the idea has been received coolly by some opposition parties.

Soviets To Fine DPRK-Flagged Fishing Vessels

OW2206071390 Tokyo KYODO in English 0326 GMT 22 Jun 90

[Text] Nakhodka, Soviet Union, June 22 KYODO—The Soviet Fisheries Ministry has decided to impose a fine of 100,000 rubles (about 24 million yen) each on 10 of the 12 North Korean-flagged Japanese fishing boats seized last month for alleged illegal salmon fishing in the north Pacific, Soviet sources said Friday.

The Soviet fishing authorities have decided not to confiscate the fishing boats, however, and will not seek compensation for their alleged poaching, according to the sources in Nakhodka, near Vladivostok in the Soviet Far East.

Earlier this week, the Soviet authorities were reported to have decided to release the two other ships along with 24 Japanese crew members without imposing fines after they determined the two boats had not engaged in poaching. There is a possibility that the 12 fishing boats and all 169 Japanese crew members will be released and handed over to North Korea without trial, according to the sources.

Meanwhile, two officials of the Japanese Consulate General in Nakhodka boarded one of the fishing boats berthed at Vostochnyy port in Nakhodka and met 11 of the 169 Japanese crew members for the first time since they were detained by the Soviet authorities after their boats were seized last month.

During a 90-minute meeting, the 11 Japanese fishermen expressed anxiety about their future, saying they wanted to return to Japan as soon as possible, the officials said.

Abductors of Japanese Offer To Negotiate

OW2906061490 Tokyo KYODO in English 0517 GMT 29 Jun 90

[Text] Bacolod, Philippines June 29 KYODO—Negotiators for the release of kidnapped Japanese aid worker Fumio Mizuno announced Friday that the abductors for the first time have expressed their desire to negotiate Mizuno's release. "There was initial contact a few days ago. They would like to sit down and negotiate," said lawyer Andres Hagad, a member of the committee working for Mizuno's release.

Hagad did not want to describe how contact was made with the kidnappers, believed to be communist rebels, or when and where it took place. He said, however, that "at one stage, there was an emissary."

The human rights lawyer told reporters that officials of the aid group to which Mizuno belongs, the Organization for International Spiritual and Cultural Advancement (OISCA), are convinced that they established contact with the real abductors because "the one who contacted them was authentic." Earlier contacts over hand-held radios starting about two weeks ago are now "treated as false," Hagad added.

Mizuno, a training director for OISCA, a private aid group based in Japan which has several projects in the Philippines, was abducted exactly a month ago in Murcia, a town on the island of Negros about 510 kilometers south of Manila.

Hagad refused to say if the abductors made any demands during the initial talks. "The abductors have not had any complaints," he said, without elaborating. "We can expect more information in the coming days," Hagad said, adding that "hopefully, this contact will ripen into the release of Mizuno."

Government Supports Mongolian ADB Membership

OW2306103490 Tokyo KYODO in English 1005 GMT 23 Jun 90

[Text] Oita, June 23 KYODO—Japan will support Mongolia's admission to the Asian Development Bank (ADB), Foreign Minister Taro Nakayama said here Saturday. Nakayama made the remark to reporters accompanying him on a visit to this provincial capital on Japan's southernmost main island of Kyushu.

"I want to do whatever I can so that Mongolia gains membership in the ADB," Nakayama said, adding that it was the first time for him to say so publicly. The Manila-based development bank, which is currently chaired by a Japanese, includes 32 countries in the Asia-Pacific Region, and another 15 from outside the region, including the U.S. and countries of Western Europe.

Japan and the U.S. share the lion's share of voting power in the body, at 12.4 percent each.

The ADB provides loans, grants, and technological assistance to developing countries in the Asia-Pacific Region and assists them in the coordination of their economic policies. Nakayama also told reporters that Japan wants "to make a fuller use of the ADB" as a mechanism for development in the region.

Stressing Japan's commitment to Asia, Nakayama pledged that Japan will work to ensure that the region's concerns are addressed at the upcoming summit of seven industrialized countries, to be held in Houston, Texas, from July 9-11. He said that task is particularly important because international attention is now focused on events in Europe.

Assistance, Rescue Team To Go to Iran

OW2206084090 Tokyo KYODO in English 0355 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—Japan will dispatch some 83.6 million yen in emergency assistance to Iran to help that country deal with the aftermath of a devastating earthquake on Thursday, Foreign Ministry officials said Friday. Officials said that in addition to relief supplies such as tents and medical supplies, Japan will also send a 12-member rescue team and a 7-member medical team.

Two members of the Foreign Ministry and one member of the Japan International Cooperation Agency (JICA) will accompany the group, which will depart for Iran on Friday evening, to administer the relief operations. The rescue team of firefighters and policemen will be the first sent abroad since the October 1986 El Salvador earthquake.

Officials said the team will be carrying advanced technological devices such as camera-equipped fiberscopes and sound detectors to find people trapped beneath collapsed structures.

The Japanese Red Cross Society on Friday decided to send a 10 million yen donation to the Geneva-based International Committee of the Red Cross for relief activities in Iran, officials of the Red Cross said. Japan's cooperation comes in response to an Iranian plea for international assistance Friday morning.

The powerful earthquake devastated Iran's densely populated Caspian Region, killing an estimated 10,000-25,000 people and injuring tens of thousands more.

Further on Aid to Iran

OW2306052490 Tokyo KYODO in English 0409 GMT 23 Jun 90

[Text] Tokyo, June 23 KYODO—The Japanese Red Cross Society is to extend 20 million yen worth of medical supplies to earthquake-hit Iran, officials said Saturday. The aid package will consist mostly of antibiotics and other medicines for those injured in Wednesday's killer quake in northern Iran. Preparations are still under way to transport the supplies as early as a regular flight to Iran next Thursday, Red Cross officials said.

The Japanese Red Cross previously announced it would send 10 million yen for food, tents, blankets and other urgent necessities to Iran where United Nations relief sources say some 35,000 were killed by the quake. The officials also said the Japanese Red Cross is ready to dispatch its doctors and nurses to the disaster site as soon as the Iranian Red Cross makes such a request.

Third World Mission Arrives To Seek Aid

OW2806145190 Tokyo KYODO in English 1243 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—Bangladeshi Foreign Minister Anisul Islam Mahmud arrived in Tokyo on Thursday as head of a four-member Third World mission to call for economic assistance.

The three others were Foreign Ministers 'Ali Sahlul of the Sudan, Abdurahman Jama Barre of Somalia, and Yaovi Adodo of Togo. "The visit of the delegation is aimed to sensitize the donor countries about the urgent and special needs of the least developed countries," the Bangladesh Embassy in Tokyo said.

The mission will meet Prime Minister Toshiki Kaifu, Foreign Minister Taro Nakayama and International Trade and Industry Minister Kabun Muto on Friday.

Businessmen Support Rice Imports Liberalization

OW2606194090 Tokyo KYODO in English 1008 GMT 26 Jun 90

[Text] Tokyo, June 26 KYODO—The government should give up its belief that rice is "the sacred cow" for Japan and remove its ban on rice imports, a powerful business group said Tuesday. The Federation of Economic Organizations (Keidanren) proposed that Japan liberalize its rice market in order to help bring the multilateral Uruguay Round of trade talks to a successful conclusion, which it said is vital to stemming budding protectionist movements in many parts of the world.

Agriculture has been one of the thorniest issues in the four years of talks, which are to conclude at the end of the year. Japan's ban on imported rice has been criticized by foreign negotiators at the talks, which are sponsored by the 97-member General Agreement on Tariffs and Trade (GATT).

Keidanren also suggested Japan reduce its regulations and subsidies for farm produce, which are blamed for Japan's relatively high food prices. It also said it agrees with the proposed formation of a world trade organization (WTO), a new trade watchdog endowed with more power than the Geneva-based GATT.

Tomio Yamamoto, minister of agriculture, forestry, and fisheries, expressed disapproval of Keidanren's call for a freer rice market. "We regret there is a gap between Keidanren [passage indistinct].

Money Offered to Airlines To Improve Security

OW2406134290 Tokyo KYODO in English 1216 GMT 24 Jun 90

[Text] Tokyo, June 24 KYODO—The Transport Ministry has called on airline companies to step up antiterrorist measures at six international airports in Japan prior to the enthronement ceremony of Emperor Akihito in November, ministry sources said Sunday. The ministry asked all airline companies using the six airports, including New Tokyo International Airport at Narita, to X-ray all passenger baggage and to completely separate arriving and departing passengers at airport buildings.

Seventeen foreign airlines using new Tokyo or Osaka international airports currently inspect by X-ray only carry-on baggage and not checked baggage, the ministry said. To expand such screening at Narita, the ministry offered up to 54 million yen in subsidies to help airlines install equipment to X-ray all baggage, and 234 million yen in subsidies to airlines to hire more secuity guards, the sources said.

Such an offer of government subsidies to private airlines to beef up security against terrorist attacks is unprecedented, the sources said. The new antiterrorist measures are expected to be implemented on October 1.

Kaifu Cabinet Gets Over 50 Percent Support

OW2506002390 Tokyo KYODO in English 2318 GMT 25 Jun 90

[Text] Tokyo, June 25 KYODO—The cabinet of Prime Minister Toshiki Kaifu has boosted its public support rating to 51.7 percent this month, up 6 percentage points from March, according to a NIHON KEIZAI SHIMBUN (Nikkei) poll published Monday. Those who do not support the Kaifu cabinet accounted for 23.7 percent in June, down 7.2 points from March.

The public support rating for the Kaifu cabinet was 29.6 percent last August in a survey conducted shortly after Kaifu came to power. It moved up later to 37.9 percent in November, and to 45.7 percent in March, the business journal said. Voters appreciate Kaifu's personality and his diplomatic achievements, particularly in trade disputes with the United States, it said.

The Nikkei survey covered 10,000 of Japan's 90 million voters across the country on June 15-18. The number responding came to 6,074 or 60.7 percent.

The public support rating for Kaifu's ruling Liberal Democratic Party came to 48.3 percent in June, down 1 point from March.

The Japan Socialist Party, the country's largest opposition party led by Takako Doi, is supported by 25.1 percent, down 0.8 point, the Nikkei survey showed.

A KYODO NEWS SERVICE poll, conducted in early June, put the public support rate for the Kaifu cabinet at an all-time high of 63.0 percent, up from 57.3 percent in March. The previous high was 59.6 percent set by then Prime Minister Yasuhiro Nakasone in September 1985.

Panel To Propose New Land Holding Tax

OW2206123190 Tokyo KYODO in English 1030 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—A government panel will propose a new land holding tax targeted at private companies to restrain their buying up of land in metropolitan areas, government sources said Friday. The proposal will be contained in an interim report to be released before long by the Land Taxation Subcommittee of the government's Tax System Council, the sources said.

It will submit a final report in December. The proposal also includes a tax imposed on additional profits with land holding.

Subcommittee sources said the new land holding tax is needed to cope with the recent land price spiral mainly in Tokyo and Osaka, apparently caused by investments by private companies flush with funds.

The subcommittee will propose tightening inheritance tax on agricultural land designated for urban development by applying a tax rate similar to residential land. The new measure aims at stimulating an increased supply and more efficient utilization of land.

Small, Medium Firms' Spending Grows 24 Percent

OW2206144990 Tokyo KYODO in English 1424 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—Capital spending by small- and medium-size firms in fiscal 1989 grew for the third straight year, rising 24.4 percent to 3,911.2 billion yen, a survey released Friday showed. The three-year streak of double-digit growth was the first since the oil crisis in the early 1970s, according to a survey by the Small and Medium Business Finance Corp., a public entity.

The survey, involving 80,270 companies with 20-299 employees nationwide, found that corporate investment in plant and equipment was particulary strong for new products with cost-cutting and labor-saving benefits amid increased manpower shortages under the current business expansion.

Growth was observed in all industries, with the construction and general machinery industries posting increases of more than 30 percent, according to the survey, results of which were based on 11,179 respondents.

Reversing the trend in the year ended on March 31, capital spending by small- and medium-sized companies will decrease 1.7 percent in fiscal 1990 to 3,843.7 billion yen, the survey said. But an official at the public institution said final figures will be larger because of bullish business sentiment among those companies for the latter half of the current fiscal year.

"Given the bullish attitude toward investment in new businesses and the possibility of upward revisions of investment plans, capital spending will likely show double-digit growth in fiscal 1990 for another year," he said.

Antitrust Rules for Joint Technology Development

OW2906131490 Tokyo KYODO in English 0957 GMT 29 Jun 90

[Text] Tokyo, June 29 KYODO—The Fair Trade Commission (FTC) will formulate antitrust guidelines concerning joint development of technology or products by companies, FTC officials said Friday. The guidelines will spell out what kind of joint development projects or what sort of contracts for such schemes violate the antimonopoly law, the officials said.

The FTC decided to establish such guidelines in response to a recommendation to do so in a report released Friday by an advisory panel to the commission.

Joint development projects could be anticompetitive, for instance, if they are designed to develop a product over which the firms involved are competing with each other in the market. If such projects actually restrict the competition over the product, they violate the law, the report said.

With regard to contracts for joint development schemes, they should be regarded as unfair trade practices if they serve to restrict the use of existing technology, the production or marketing of products that are not covered by the projects, or research activities based on the technology developed by the projects, it said.

The advisory panel conducted in 1988 a survey on firms' joint development activities, in which it polled 1,111 companies listed on the first section of the Tokyo Stock Exchange, obtaining answers from 790. The survey showed that 65 percent of the respondents were involved in joint development projects and spent an average 8.6 percent of their research and development outlay, or 667 million yen, on such projects.

Of all the joint development projects studied in the survey, 58 percent were aimed at developing marketable technology or products. The United States and the European Community have already established guidelines for antitrust practices in joint development projects, and Japan has been called to follow suit, the officials said.

'Text' of Statement on Investment Policy

OW2806155690 Tokyo KYODO in English 1535 GMT 28 Jun 90

[Text] Tokyo, June 28 KYODO—The following is the full text of a Japanese Government statement on Japan's foreign investment policy:

Policy Statement on the Openness of Japanese Foreign Investment Policy

As mutual dependence has increased among national economies in recent years, cross-border direct investment has attracted much attention from various fields of the world. International direct investment will contribute to development of a well-balanced world economy by stimulating open economic activities in and among nations around the world, and thereby to peaceful and cooperative international relations.

In order for direct investment to have beneficial impacts on the international economy, emphasis should be placed on private enterprises' own initiative. For this purpose, we also believe that each country should make the utmost efforts to minimize restrictions and ensure fair and equitable access to each other's markets based on the principle of national treatment, in accordance with international rules represented by OECD agreements on international direct investment.

The Japanese Government considers it important to help foster an open international environment for cross-border direct investment, mainly through multilateral consultations at OECD and GATT.

Direct investment by foreign firms in Japan remains at a low level compared with outward direct investment by Japanese firms. Direct investment by foreign firms in thus country, however, will surely enhance the internationalization of our national economy, increase its interdependence with the rest of the world, and play a very useful role as we build a solid base for further progress of the economy.

Fully recognizing the importance of welcoming foreign direct investment in this country, the Japanese Government will actively pursue various measures, thereby making clear the openness of the Japanese market and facilitating entry of foreign firms into this country.

Measures intended to this end will include amendment of provisions in the foreign exchange control law in connection with foreign direct investment in Japan, information services on the Japanese investment environment, financial support to facilitate business operational by foreign firms in Japan and encouragement to the private sector to ensure more transparency of business practices.

At the same time, the Japanese Government hopes that foreign enterprises will take up, with stronger initiative, these challenging opportunities in the Japanese market which has plentiful potentialities for growth and demand.

Forecast of Economic Growth in 1990 Revised

OW2906001390 Tokyo KYODO *in English 2310 GMT 28 Jun 90*

[Text] Tokyo, June 29 KYODO—Buoyant domestic demand will keep the Japanese economy among the world's top performers, growing faster than previously expected, the Organization for Economic Cooperation and Development (OECD) said Friday.

The OECD said in its semiannual economic forecast that the Japanese economy will grow 4.7 percent in 1990, compared with a 4.9 percent expansion in 1989. The 4.7 percent growth, an upward revision from a previous 4.5 percent estimate in its projection published last December, is substantially higher than the average 2.9 percent growth estimated for all 24 member nations of the Paris-based organization.

According to a copy of the OECD economic outlook, made available in Tokyo, Japan's domestic demand will remain healthy this year, expanding 5.0 percent, boosted by strong personal consumption and corporate spending.

Analysts said thanks to healthy domestic demand, the Japanese economy was barely affected by the so-called "triple demerits" which hit yen, stock, and bond prices early this year.

Household consumption, which dropped last April due to the introduction of the 3 percent consumption tax, began to pick up late last year amid a favorable employment and wage outlook, and is expected to be up 0.6 percentage point to 4.1 percent in 1990.

The report also said business investment in plant and equipment is likely to grow strongly in 1990, reflecting a high level of capacity utilization and the need for labor-saving investment in an acute labor shortage. The report predicted a 10.2 percent gain in such spending this year, against a 17.8 percent increase in 1989.

But it said Japan's economic expansion will moderate to 3.6 percent in 1991, in line with slower growth in both consumer and corporate spending.

The report also said Japan's external adjustment in volume terms will continue in 1990, with the nation's current-account surplus falling to 49 billion dollars from 57.2 billion dollars in 1989. But it said this downward trend in the external imbalance may reverse in 1991 with the growth in imports of goods and services decelerating more sharply than that of exports. In compiling the report, the organization used 158.55 yen to the dollar as an average foreign-exchange rate.

The OECD also cited six areas—inflation, savings, financial market turbulence, the transformation of Eastern bloc nations, structural reforms, and environmental problems—as "political challenges ahead" for major industrialized nations.

On price trends, the report said inflationary pressures are now under control after years of credit tightening by major countries. But it cautioned that monetary vigilance has to be maintained, as market confidence in the commitment of monetary authorities to achieving price stability over the medium term is faltering as reflected in market-led increases in long-term interest rates during the winter.

The report also said total savings in the OECD, though showing some increase in recent years, remains well below levels seen in the 1960s and 1970s. Considering rising interest rates worldwide, economic reforms in Eastern Europe and debt-ridden nations in Asia and Latin America, increasing savings should be a policy concern in most countries, it said.

The report suggested that governments can boost savings through restraining public expenditure and removing disincentives to private savings by shifting the weight of taxation away from savings and toward consumption.

The OECD also called on East European nations not to totally rely on overseas assistance, saying the key to successful development is not primarily finance from abroad.

It also noted that the near-term macroeconomic impact on the rest of the world will be much bigger from developments in East Germany than those in other East European nations. As a result of monetary unification with West Germany, East German imports will grow 10-fold by the second half of 1991, rising at an annual rate of 25-30 billion dollars.

With regard to structural reforms, the report said that while reforms in some areas, such as financial markets, have shown substantial progress, progress in trade, agriculture, and industrial-support policies is "disappointing."

It also called for greater commitment by member countries to bringing the Uruguay Round of multilateral trade talks to a successful conclusion. "Failure to achieve clear success would have adverse consequences for economic performance over the 1990s," it said.

Government Workers Get 2.65 Trillion Yen Bonuses

OW2906130290 Tokyo KYODO in English 0437 GMT 29 Jun 90

[Text] Tokyo, June 29 KYODO—Japan's 4.46 million central and local government workers on Friday received a total of 2.65 trillion yen in summer bonuses. According to the Management and Coordination Agency, central government workers received an average of 485,000 yen, up 59,000 yen from last summer, and employees in local governments got an average of 467,000 yen in bonuses.

Akito Arima, president of the University of Tokyo, and Yasunori Nishijima, president of the University of Kyoto, each received 2.27 million yen, the highest bonus given to general public servants. Among special public servants, Supreme Court Chief Justice Ryohachi Kusaba received the highest amount of 3.83 million yen.

Prime Minister Toshiki Kaifu drew 3.8 million yen and the speaker of the House of Representatives and the president of the House of Councillors each received 3.54 million yen. Each Diet member received a bonus of 2.1 million yen.

A total of 17.4 trillion yen was paid out to workers in private companies. The average summer bonus in the private sector is 438,000 yen, up 6.9 percent from last year, according to an estimate by a major city bank.

88 Billion Yen in Unreported Income Uncovered

OW2206093790 Tokyo KYODO in English 0849 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—Tax agents discovered unreported income totaling 88 billion yen in their raids on firms and individuals in fiscal 1989, tax authorities said Friday. The figure was the second-largest on record after the 95.7 billion yen uncovered in fiscal 1988.

Tax investigators searched 242 firms and individuals on suspicion of tax evasion during the year and found 88,096 million yen in unreported income, down from 95,719 million yen in the previous year, the National Tax Administration Agency said in its latest White Paper on tax evasion. These tax dodgers were levied a combined total of 63,943 million yen, including punitive taxes, compared with 71,427 million yen the previous year, the agency said.

Tax authorities sent the worst 172 cases to public prosecutors. The amount of hidden income exceeded 500 million yen in 41 cases out of the 172, compared with 50 cases in the previous year, it said.

Undeclared income from real estate dealings accounted for 30 percent of the total, or 38 cases totaling 25,384 million yen, followed by 20 cases of unreported income from stock dealings, totaling 13,378 million yen, down from 27,171 million yen in the previous year, in the wake of the crash in stock markets in the autumn of 1987. Tax evaders used such tactics to evade tax as spurious purchases, concealment of sales, and accounts in false names, the tax agency said.

National Tax Revenue Grows 8.1 Percent in 1989

OW2906140090 Tokyo KYODO in English 1250 GMT 29 Jun 90

[Text] Tokyo, June 29 KYODO—National tax revenues grew 8.1 percent in fiscal 1989 from a year earlier to 54,958.7 billion yen, the Finance Ministry announced Friday. The growth came against the backdrop of soaring land prices, which encouraged dealings in real estate, resulting in an increase in revenues from related taxes, a ministry official said.

The fiscal 1989 tax revenues were 731.7 billion yen more than projected by the government in its revised fiscal 1989 budget and 3,948.7 billion yen larger than estimated in the initial budget for the fiscal year that ended on March 31, he said.

However, revenues from the 3 percent consumption tax that took effect on April 1, 1989, came to 3,269.9 billion yen, 348.1 billion yen below the government's projection of 3,618 billion yen.

Corporate tax revenues were 582.2 billion yen less than the government's estimate made in the revised budget, totaling 18,994.8 billion yen. The official said the smaller-than-expected corporate tax revenues were attributable to weak earnings by many Japanese banks and electric power companies.

The portion of direct taxes in overall tax revenues stood at 74.1 percent for fiscal 1989, the highest level in the postwar period, surpassing the previous record of 73.9 percent set in fiscal 1974.

The fiscal 1989 tax revenue results make it likely that the general-account budget will close fiscal 1989 with a surplus of roughly 349.8 billion yen, the ministry predicts. This amount is still far below the fiscal 1988 surplus of 1,732.1 billion yen, which was largely due to unexpectedly high corporate tax revenues.

Under the fiscal law, more than 50 percent of the surplus is required to be used for debt-servicing.

Panel on Advanced Satellite Communication by 2020

OW2206135190 Tokyo KYODO in English 1313 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—Personal satellite communication and integrated digital broadcasting are likely by the year 2020 through Japan's own satellites, a government advisory panel said Friday. The report, compiled by a Posts and Telecommunications Ministry advisory group, predicted that by 2020 when a space station is expected to be operating, Japanese will be able to communicate with each other in any part of the country with portable computer terminals.

The report said personal communication would be feasible using a stationary platform equipped with a large antenna and a device which amplifies radio signals via satellite.

The total yearly cost needed to develop such highly advanced space programs by major industrialized nations, including the construction of a space station and a manned space base on the surface of the moon, is estimated at 9.4 trillion yen in the two decades between 2000 and 2020 and 15.7 trillion yen in the subsequent 30 years through 2050, the report said.

The advisory body recommended in its report that Japan shoulder 10 percent of the aggregate cost.

NTT Announces Development of Fastest Transistor

OW2806003490 Tokyo KYODO in English 2300 GMT 27 Jun 90

[Text] Tokyo, June 28 KYODO—Nippon Telegraph and Telephone Corp. (NTT) said Thursday it has developed the world's fastest transistor which will enable production of an integrated circuit (IC) capable of processing 30 gigabits, or 30 billion bits, of information per second. The giant domestic telecommunications company said the bipolar transistor, made of gallium arsenide and aluminum gallium components, can respond to 170 billion vibrations per second, or 170 gigahertz.

The company said it plans to start commercial production of the new transistor in a few years. The new transistor is more than five times faster than existing bipolar ones and capable of boosting the transmission speed 20-fold if applied to an optical fiber communications system, the company said.

It also said the new transistor can speed up the processing speed of a supercomputer by nearly five times.

NTT developed the world's first super-fast transistor with a processing speed of 105 gigahertz in 1987. The company said the new product is an improved version of that transistor. It said the new technology will be introduced at the device research conference to be held in Santa Clara, California, on Wednesday.

Memory Chip Production To 'Further Expand'

OW2906133490 Tokyo KYODO in English 0638 GMT 29 Jun 90

[Text] Tokyo, June 29 KYODO—Japan's memory chip production is picking up, and will further expand in the July-December period after several months of an easy market, the Ministry of International Trade and Industry (MITI) said in a report Friday. Production of one-megabit dynamic random access memory (DRAM) chips will grow to 277.5 million chips in the second half of the year from 215.6 million in the previous six months, the ministry said.

Domestic demand for DRAMS, the most widely used of all semiconductors, will increase to 115.2 million from 96.6 million, it said.

Production of erasable programmable read only memory (EPROM) chips will remain stable. Output of 256 kilobit EPROMS will sink to 12.6 million chips in the second half from 14.7 million in the preceding half, while that of 512 kilobit EPROMS will rise to 8.2 million from 7.8 million, the ministry said. Domestic demand will continue to outstrip domestic production for 128, 256, and 512 kilobit EPROMS, with imports filling the gaps, it said.

Production of static random access memory (SRAM) chips is also surging. Japanese makers will produce 110.4 million 64 kilobit SRAMS in the second half, up from 104.5 million, while domestic demand for these chips will grow to 93.7 million from 85.2 million, the ministry said.

The output of microprocessors will also rise, it said. Production of 8 bit microprocessors will climb to 13.9 million from 12.7 million, with domestic demand rising to 12.2 million from 11.5 million, the ministry said.

10-Year Environmental Technology Plan Proposed

OW2206082490 Tokyo KYODO in English 0248 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—The Japanese Government's top science policy body proposed a 10-year draft plan Friday to advance the development of environmental protection technologies. The plan will be tabled at the upcoming summit of seven major industrialized nations in Houston, Texas next month as Japan's contribution to global environmental problems.

The Council for Science and Technology, chaired by Prime Minister Toshiki Kaifu, proposed that new research on earth science technologies cover areas of human activity in addition to atmospheric, maritime, geological and ecological fields.

Research on social problems such as urbanization and the surge in Third World population should be linked with studies on forest destruction and global carbon dioxide emissions to define the overall effect of human activity on the earth's ecology, the proposal said.

The technological advances which had caused environmental destruction must be turned toward the solution of those same problems, the council said, producing "scientific technology harmonizing humans and nature."

The draft calls for setting time frames and goals for the research and requests government agencies to establish long-term research and development plans directed at such technologies. The council also stressed the importance of Japanese technical support for the Asia-Pacific Region.

Global Warming During Past Century Noted

OW2306035890 Tokyo KYODO in English 0305 GMT 23 Jun 90

[Text] Tokyo, June 23 KYODO—The earth's average temperature has risen by 0.5 C. over the last 100 years, according to a temperature survey of 2,000 global locations released Saturday by Meteorological Agency officials.

The agency computed yearly average world temperatures from 1880 to 1988 based on data compiled by 2,000 weather observatories throughout the world, the officials said. Officials used data from an institution in the United States and separately calculated the impact of increasing carbon dioxide with a computer.

The officials said the greenhouse effect and excessive levels of carbon dioxide in the atmosphere may be the cause of the temperature rise. An agency sub-panel on the geenhouse effect will release the results of the survey in a report to be published in July.

Some U.S. researchers recently claimed there has been no proof of global warming during the past 70 years. Agency officials, however, said their survey provides evidence to the contrary. The survey said the average world temperature was rising from 1880 to 1940, though decreasing from 1940 to 1970. It said the average temperature has been rising again since around 1970.

Mongolia

No Democratic Party Participation in Elections

LD2806171990 East Berlin ADN International Service in German 1608 GMT 28 Jun 90

[Text] Ulaanbaatar (ADN)—The Mongolian Democratic Party, the strongest extra parliamentary force in the country, will not take part in the elections to parliaments at all levels on 29 July. A conference of functionaries decided this in Ulaanbaatar today. Basargardyn Bold, member of the Party Political Consultative Center, announced to ADN this evening that 131 of the 144 entitled to vote demand that they leave the election campaign. The Party members who have already been nominated at meetings in enterprises can stand if they wish as independent candidates, according to Bold.

Sanjaasurengiyn Dzorig, chief coordinator of the Democratic Union, on the same day pointed out at a news conference that there is indeed a multi-party system, but free and equal elections could no longer be counted on. The ruling MPRP [Mongolian People's Revolutionary Party] (Communists) formed most of the local electoral commissions at the beginning of May, while the last five new parties were not registered with the Supreme Court until the end of May. Failings in the electoral law, a series of one-sided advantages for the MPRP, and sanctions against grass-root functionaries from the Democrats have been pilloried by many speakers.

At the end of July the union will map out its further course at its second national conference. The Social Democrats and the National Progressives will also decide on their further participation in the election campaign over the weekend, ADN learned this evening from the party headquarters.

Dzardyhan Gives Interview on Ongoing Changes

OW2706144690 Ulaanbaatar International Service in English 0910 GMT 25 Jun 90

[From the regular "Monday Review of Central Mongolian Press"]

[Text] An interview with Deputy Chairman of the Mongolian Council of Ministers Dzardyhan is published in the daily UNEN.

Mr. Dzardyhan noted in his interview that the reconstruction processes in Mongolia have become irreversible and some changes in the political, economic, and social life of the country as well as revival of pluralism of viewpoints and public consciousness have formed the first stage of the reforms in Mongolia. Now the Mongolian society stands at a new historic turn—establishment of a parliamentary state. Social and economic situation in Mongolia is very complicated, said Mr. Dzardyhan.

but there can be a way out of it. According to him, we must carry out renewal of the policy and legal rights. He attached great significance to working out and passing a new democratic Constitution which would declare right and freedom of a man, social justice, national independence, sovereignty, national unity. The goal of the economic reform in Mongolia is to provide people with all conditions for a well-to-do life, underlined Mr. Dzardyhan, deputy chairman of the Mongolian Council of Ministers, in his interview to a daily UNEN correspondent.

Direct Air Route With Japan To Open 16 Aug

OW2906111490 Ulaanbaatar International Service in English 0910 GMT 29 Jun 90

[Text] The first direct air route between Japan and Mongolia will be opened in coming August. A 132-seat plane will leave the Japanese Niigata airport on August 16 and arrive in Ulaanbaatar. The [word indistinct] agreement on all the flights of Japanese and Mongolian civil aviation agencies has finally met [words indistinct]. The [word indistinct] of the flight is seven hours.

Mongol-Singapore Society Established

OW2706141990 Ulaanbaatar International Service in English 0910 GMT 25 Jun 90

[Text] A new voluntary formation, the Mongol-Singapore Society, was set up in Mongolia. Its main objective is to promote the development of cooperation between the two countries, establishment of contacts between different organizations and individuals of the two countries, and popularization of their achievements.

North Korea

Soviet Newspaper Analyzes ROK's Economy

SK2806060090 Pyongyang Domestic Service in Korean 1300 GMT 27 Jun 90

[Text] The 8 and 9 June issues of the Soviet paper IZVESTIYA carried in installments an article by (Agaponov), its Tokyo correspondent, headlined "What Results Will the Imbalance of South Korea's Sandwich Economy [as heard] Bring About?" and "A Pessimistic View Against an Optimistic Attitude and (?Zealous) Inertia."

Mentioning his impressions of Seoul from three visits within the past three years, the writer noted as follows: I visited Seoul three times in the past three years, and, by chance, all of the visits came in the spring.

Springtime in Seoul seemed different each time I visited there. The political situations and economic conditions were different, just as the weather was never the same. It was quite natural for me to wish to take (?an objective view.) In short, today's situation is worse than that of last year, and even worse than that of the year before.

This is not only my view but also a unanimous evaluation made by official and unofficial circles. With the advent of the nineties, the ascent up the hill of prosperity has ended. In addition, there are many indications that a whirlwind of economic stagnation will blow, and this whirlwind is going to blow away the prosperity that is in (?its initial) stage.

South Korea, which failed to secure stability in politics, economics, and other social domains, was unable to endure a few intense negative breezes that happened to occur simultaneously, just like an elephant teetering on two feet during an earthquake.

South Korea's earthquake, which began last year and continues today, is very (?intense) within the leading economic sectors and has evoked quite a shock.

Last year, South Korea's trade surplus was reduced nearly to one- third, and South Korea suffered deficits in the first five months of this year. The deficits are expected to reach $6 billion by the end of the year.

However, what is important at this point is not the figures but rather the fact that economy has entered a stage of depression and that it must fight desperately for many years to pull out of this depression while undergoing various negative phenomena, including inflation and social clashes. This is a fact acknowledged by everyone.

The most serious problem for South Korea today is not the highpoint of its economic ascent, but its lowpoint. South Korea's annual growth rate must not drop to less than five percent. If it does this, debts will again choke South Korea and unemployment will emerge as a serious problem. In turn, its money will turn into nothing more than worthless pieces of paper.

To prevent this situation from occurring, investment, technology, and new economic ideas are needed. People in Seoul told me that the struggle for these three factors will be the focus of all economic activities carried out by business circles and government in Seoul.

South Korea, which once assumed an export-oriented policy as the basis for its economic development, began to dash forward while encouraged by three blossoming roses—cheap labor, cheap national currency, and cheap raw materials.

However, because of fierce international competition and a lack of experience, South Korea had no time to nurture deep defensive roots comprised of exports capable of enduring the winds of economic crisis.

Accordingly, one of these roses—cheap national currency—already has begun to wilt, and the crisis has expanded into all business circles that were not prepared for the fierce, vicious circle. As the value of (?the yen) was appreciated, South Korea's competitive power suffered a serious blow, and then, a more serious problem arose.

A wave of labor disputes spread under a demand for wage hikes, crushing the second rose within the same year and thereby putting an end to the era of low labor costs. Meanwhile, inflation, which is unavoidable in such a situation, was engendered, and efforts to repress rising production costs resulted in unemployment. Reducing manpower was the simplest and easiest way for reducing production costs.

In short, the miracles have ended and a classic pattern in politic and economic thought began to occur. South Korea today is undergoing this situation. If South Korea wants to continue advancing, it should earn money through new economic strategies, such as producing quality, competitive items with long-range prospects, and not through large quantities of cheaply made goods. These tasks demand money—a colossal amount of money.

South Korea should increase its investment in the production sector, technology, and equipment, as well as in scientific and technological development, research, and the fostering of core members.

The most complex problem for South Korea at the present time is to obtain modern technology. South Korea's major fellow countries [tongyogukdul], primarily Japan, are not willing to continue promoting Seoul's export capabilities through such charitable work as the transfer of technology. No other means are available for the industrialists in Seoul except directly purchasing technology from any place at any cost. At the same time, it should strengthen its own technological foundation in order to overcome its reliance on other countries.

Can South Korea overcome technological reliance in a short time? I seriously doubt this. Seoul can do this only when it can maintain social and political harmony when facing economic problems. We need to mention the merger of the ruling camp with the two opposition parties into one political bloc early this year. This was undoubtedly a new phenomenon but not a surprising one.

Political organizations, which were separated for the simple reason that one had power while the others did not, even though they had the same ideologies, traditions, and programs, gathered under the same roof, hanging out the signboard of the Democratic Liberal Party [DLP].

If political ambitions of those political activists who were left outside of the integrated party are not given consideration, South Korea could be turned into a one-party system forever based on the simple negotiations as to the order in which party leaders will become the president, not based on ideological superiority.

Such negotiations were achieved within the very frame of tripartite alliance of the DLP. The question concerning how long the negotiations will be effective is another issue which is related to the personal relations of party officials and previous discords that have been concealed under the signboards of merger.

Irrespective of who will seize power in the next elections, the result of the elections will be decided not by the differences in political views and programs of the candidates but by the interests among the factions, groups and districts. The balance of such interests, which can easily be destroyed, cannot ensure the unanimously elected president in South Korea after two years. Even the agreement made in high-level political circles cannot fully guarantee the success of their plans.

For Seoul to recover its confidence in the future, it must go through a long, arduous path. Will there be vicissitudes on this path? Yes, there can be and certainly will be such vicissitudes because South Korea is sandwiched between daily-increasing walls of protective trade by advanced countries and powerful economic expansion by developing countries.

Since these two factors are pressing the economy in such a way as to break even its backbone, South Korea cannot easily make a forward advance.

Making mention of the relations between the Soviet Union and South Korea, the writer said that he has very complicated feelings and suspicions on this issue. While discussing the issue of economic relations with South Korea, he pointed out that, without the correct awareness and consciousness of South Korea, it is an extreme act to request an amount of foreign money and to establish relations, being prepossessed with the fantasy of South Korea's economic power.

Exposing the aims that the South Korean puppets are pursuing in their relations with the Soviet Union, the writer commented as follows:

South Korea itself has not gone beyond the scope of pragmatism with cool-headed zeal toward the Soviet Union. The conclusion drawn from such pragmatism is that the political side is, above all, important in relations with Moscow.

Because of the nature of the South Korean economy, it is too early for South Korea to enjoy a situation in which it can offer financial charitable work and loans to foreign friends in expectation of repayment in the distant future.

Seoul is, first of all, worrying about its own economic health. South Korea does not have and will not have surplus money in the future with which to make investments overflowing with the passion for the principle of other people's-benefit-first [itajuijok kyokjong]. One should keenly realize this.

Stressing once again that Seoul attaches importance to the political aspects of its relations with Moscow, the writer expressed surprise at the fact that a joint communique was signed between the Institute for World Economy and International Relations [IMEMO] of the Soviet Academy of Sciences and South Korea's DLP when Kim Yong-sam visited Moscow. He pointed out the following: How and why did the IMEMO sign a communique with South Korea while exercising functions unbecoming a scientific research institute and ratified a provision stipulating the urgent necessity of establishing diplomatic relations? How could and why did the IMEMO show to the State Scientific Committee, to the Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries, and to the Ministry of Culture in what form the contact with South Korea should be developed, and how can it advise the Supreme Soviet, the Communist Party of Soviet Union, and the Moscow Municipal Soviet Presidium?

These questions are not raised to merely kill time. I raise them because I noted during my visit to Seoul that press and news organizations, quoting this communique as an official document, stressed that both sides have total responsibility for unconditionally implementing the communique.

The South Korean people may admit this claim because the highest representative [choego taepyo wiwon] of the ruling party signed the communique. But how can the director of the IMEMO be such a person?

For some reason or the other, no one has ever openly raised these questions. However, I think it necessary to raise them because even while we are being pushed around by Seoul in reality, we pretend that we do not know this.

The writer then exposed that the South Korean puppets are using the issue of establishing diplomatic relations with the Soviet Union as a means of bullying the other and of bargaining. He stressed that if the Soviet Union establishes diplomatic relations with South Korea under these circumstances, the South Korean people would attain their supreme program but we will remain as men with empty pockets after dealing the last card.

Soviet Paper on Danger of ROK Economic Ties

SK2806151390 Pyongyang KCNA in English
1500 GMT 28 Jun 90

[Text] Pyongyang June 28 (KCNA)—The Soviet paper IZVESTIYA June 8 and 9 serialized an article by S. Agafonov, the Tokyo correspondent of the paper.

Giving impressions of his three missions to Seoul in the recent three years, he said: To cut it short, it is a unanimous conclusion of official and unofficial quarters that the present conditions are worse than last year and much worse than the year before last.

South Korea, having no "reserves of firmness" in economic, political and social realms, could not stand the intensive blow of a few negative factors that hit it at a time. It is like a giant standing on its two mud legs shaken by an earthquake, he noted.

Uncovering the chaotic South Korean economy, he recalled the merger of the ruling party with two opposition parties in one political bloc, that is, the "Democratic Liberal Party" early this year.

He cast doubts on how long the compromise will last, a simple compromise that brought into shape the one-party structure on the basis of a clandestine agreement on the order of the South Korean "leaders" in holding the "presidential" posts.

To have relations with South Korea with an eye on "a few amount of foreign currencies" without a correct understanding and knowledge of it is an act "running to extremes."

Pointing out that the South Korean puppets regard the opening of diplomatic relations with the Soviet Union as a means of seizing it by the collar and a bargaining chip, Agafonov said:

Such being the situation, had the Soviet Union established diplomatic ties with South Korea, it would be left empty- handed, losing the last card, though the South Koreans would achieve their "supreme programme".

Magazine on Kim Yong-sam's 'Restless Agony'

SK2706151390 Pyongyang KCNA in English
1501 GMT 27 Jun 90

["Agony of Betrayer"—KCNA Headline]

[Text] Pyongyang June 27 (KCNA)—South Korean weekly magazine Korea reported that Kim Yong-sam who joined the pro-American reactionary coalition turning his back on the South Korean people is now in a restless agony.

There is something uneasy in the eyes and countenance of Kim Yong-sam, the magazine said, and pointed out: It is a common view of those around him that discontent and mental pang latent in the recess of his mind are revealed by his smile.

His complaint and agony come from his consciousness that his position is on the decline, not on the rise, when he recalls a certain promise made him by the ruling camp around the three-party merger.

"What is taking place around co-leader Kim Chong-pil is surprising him. Kim Yong-sam looks miserable, his political ambition frustrated by the tactics of Kim Chong-pil," said the magazine.

Facts show well that those who betray the people can never feel easy and are fated to fall into a sorry lot.

ROK Union Leader Vows Continued Activities

SK2806152490 Pyongyang KCNA in English
1505 GMT 28 Jun 90

[Text] Pyongyang June 28 (KCNA)—Yun Kong-kyu, chairman of the National Teachers' Trade Union, who had been arrested by the No Tae-u fascist clique, on charges of forming the trade union, vowed to continue union activities when he was released from the Wonju prison on June 26, according to a report.

He told his colleagues who greeted him coming out of the prison after serving his term, that "in future I will do my best for the union", saying that "it is all of you union members, not any specific person, who lead the teachers' trade union."

Japan Group Holds Meeting for Korean Unity

SK2906061690 Pyongyang KCNA in English 0447 GMT 29 Jun 90

[Text] Pyongyang June 29 (KCNA)—The members of the Japan- Korea friendship visiting group held here Thursday a solidarity meeting for peace and reunification of Korea.

Head of the group Akira Iwai, chairman of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, made a speech at the meeting.

Noting that the Japanese Government, while talking about the improvement of relations with the Democratic People's Republic of Korea, acts against it in actuality, he said that the Japanese Government is scheming to freeze the division of Korea in league with the South Korean authorities.

Though the South Korean authorities are now crying for the "northern policy" and reunification, he said, they obstruct the desire of the popular masses for reunification as can be seen in their arrest of Rev. Mun Ik-hwan and woman student Yim Su-kyong, maintaining the "National Security Law".

He fully supported the pan-national conference for peace and reunification of the country slated for August this year, and expressed his determination to launch more vigorously the movement for solidarity with the Korean people to bring the conference to a success.

He denounced the South Korean authorities intensifying the moves against the DPRK in league with the United States and Japan.

Noting that the policy speech delivered by President Kim Il-song at the first session of the Ninth Supreme People's Assembly is very important, he stressed that this policy speech, which sums up the achievements of the government of the DPRK and elucidates the validity of the socialist system, has become a focus of the world's progressive peoples in the struggle against imperialism.

He said that he, while seeing the wonderful construction in Korea, was moved once again by the advantages of the Korean-style socialism whose guiding idea is the chuche idea.

Noting that the proposal for founding the democratic confederal republic of Koryo and the new five-point policy of national reunification advanced by President Kim Il-song on the basis of the three principles of national reunification are most concrete and realistic proposals for the reunification, he expressed full support to them.

Hoping that the military and political tension on the Korean peninsula would be eased at an early date in accordance with the disarmament proposal recently made by the DPRK, he stated that the South Korean authorities must, first of all, pull down the concrete wall built by themselves at once.

Yi Chol-sin, vice-chairman of the Korean Society for Cultural Relations with Foreign Countries, spoke next.

He noted that members of Japanese friendship and solidarity organizations and visiting groups have done a lot of work for the development of the friendly relations between the Korean and the Japanese peoples and for the Korean people's cause of national reunification.

Such solidarity movement gives great inspiration to the entire Korean people who are struggling for peace and reunification of the country, he said, and declared:

We extend full support and firm solidarity to the Japanese people in their just struggle against the United States' policy of nuclear war, against the revival of militarism and reinvasion of other countries and for the building of an independent, peaceful country.

Addressing the meeting, secretary of the visiting group Hiroshi Wakabayashi, secretary general of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, said:

Korea is one.

The Japanese people renew their determination to fight keep Japan from standing in the way of the independent and peaceful reunification of Korea.

Prior to the meeting, the attendants saw round pictures and posters showing the Korean people's struggle for the independent and peaceful reunification of the country, the new war provocation moves of the U.S. imperialists and the South Korean puppet clique and their fascist brutalities.

Newspaper Analyzes Bush's Remarks on Korean War

SK2906045690 Pyongyang KCNA in English 0424 GMT 29 Jun 90

["History Cannot Be Forged"—KCNA headline]

[Text] Pyongyang June 29 (KCNA) - NODONG SINMUN today condemns the U.S. reactionary ruling quarters including Bush for kicking up an unprecedentedly shameless row aimed at forging the history of the war of aggression on Korea which they ignited.

The news analyst writes:

Bush in a "proclamation" impudently said that the United states participated in the Korean war to "make a stand for freedom" and radio "Voice of America," in tune with this, resorted to a preposterous propaganda that the North started the war.

This feverish racket of the U.S. imperialists was prompted by a ridiculous attempt to cover up their crime in having started the war of aggression on Korea and shift the responsibility for it on to us.

Whatever trick they may play, they can never shirk their responsibility for the war.

History has verified with irrefutable facts how the U.S. imperialists prepared and launched the war of aggression on Korea by instigating the Syngman Rhee puppet clique, how indiscriminately they destroyed our peaceful towns and villages and how brutally they killed our innocent people.

The U.S. imperialists, however, are trying to reverse and falsify the stark fact. This is an intolerable mockery of history and an intolerable challenge to human conscience.

It is preposterous to claim that the North started the war and they fought in defence of "freedom."

However hard they may try to reverse black and white, the U.S. imperialists can never erase their crimes as the diabolical aggressors, fiendish murderers and bestial destroyers who have been condemned and indicted by history.

By forging the history of crimes they try to defend and praise all the crimes they committed during the Korean war and, through this, to repeat them under the present conditions. Herein lies the true purpose of their frantic smear campaign.

KCNA Denounces RisCassi's 'Inaugural Address'

SK2906050090 Pyongyang KCNA in English
0433 GMT 29 Jun 90

["Bellicose Outburst of Aggressor"—KCNA headline]

[Text] Pyongyang June 29 (KCNA)—Robert RisCassi who flew into South Korea to take the place of Menetrey as commander of the U.S. imperialist aggression forces there, in his "inaugural address" on June 26, claimed that the U.S.-South Korea "mutual defense system" is "durable," the mission of the U.S. imperialist aggression forces is to achieve "peace" on the Korean peninsula and "crush" somebody's "attack." He blared that his duty is to "constantly maintain the military preparedness" to counter someone's "aggression."

This provocative blast fully reveals the heinous intention to perpetuate the U.S. forces' occupation of South Korea and constantly reinforce the aggression forces under the cloak of "peace" and "defense" and, furthermore, to hasten preparations to provoke another war of aggression in Korea, says NODONG SINMUN in a commentary today.

The news analyst notes:

The tension is growing acute and peace is in constant danger in Korea today not because of someone else but because of the U.S. imperialists who keep occupying South Korea, blocking the reunification of Korea and pursuing a policy of aggression and war. The danger that actually exists in Korea at present is a threat of the invasion of the North by the U.S. imperialists and their stooges, not "a threat from the North." RisCassi's provocative talk about "threat" from the North is nothing but a habitual outcry for justifying the U.S. forces' occupation of South Korea and concealing their sinister intention for attack on the North.

Calling attention to the fact that RisCassi egged the puppets on to anti-communist confrontation when he in his "inaugural address" urged them to "maintain a steadfast posture" to establish a "unified government," the news analyst says:

This furnishes clear proof that the U.S. imperialists still harbour the dream of expanding the colonial system they set up in South Korea to the northern half of Korea.

The U.S. imperialists must give up their anachronistic aggressive design and withdraw from South Korea without delay, taking along their forces and nuclear weapons.

Groups Call for U.S. Withdrawal From ROK

[illegible]2906061090 Pyongyang KCNA in English
0459 GMT 29 Jun 90

[Text] Pyongyang June 29 (KCNA)—15 organizations including the West European Committee for the Reunification and Peace of Korea issued an appeal to the governments, political parties, parliaments, public organizations and figures of various strata of all countries in Paris on June 25 on the occasion of the month of anti-U.S. joint struggle.

Although 37 years have passed since the ceasefire in Korea the danger of war still remains on the Korean peninsula due to the national division forced by the outside forces contrary to the will of the Korean people, the appeal says.

It recalls that President Kim Il-song in his policy speech advanced a new five-point proposal for national reunification to carry into effect the proposal for founding the democratic confederal republic of Koryo on the basis of the three principles of independence, peaceful reunification and great national unity and that the Democratic People's Republic of Korea put forward a new disarmament proposal for drastically reducing armed forces of the North and South and withrawing U.S. troops and all the nuclear weapons from South Korea.

The appeal says:

Considering that these proposals reflect the trend of the development of the present international situation and conform to the ardent desire of the people for peace and security, we express full support to the new proposals of the DPRK.

On the occasion of the month of international solidarity with the Korean people in their struggle for the independent and peaceful reunification of Korea, we call upon the governments, political parties, parliaments, public organisations and figures of various strata of all countries —to urge the U.S. authorities to accept the DPRK's proposal for replacing the present Armistice Agreement with a peace agreement and withdraw their troops and nuclear weapons from South Korea without delay —to put pressure on the South Korean authorities to show a response to the DPRK's proposal to adopt a nonaggression declaration between the North and South, destroy the concrete wall built in the area south of the Military Demarcation Line and effect free travel and full-scale open door between the North and South, and—to demand that the South Korean authorities discontinue suppression of democratic forces, respect human rights, release coed Yim Su-kyong and Rev. Mun Ik-hwan and all other arrested democratic figures, abolish the fascist "National Security Law" and all other evil laws which lay obstacles in the way of North-South dialogue and national reconciliation.

Japanese Investigation of Chongnyon Reported

SK2906045090 Pyongyang KCNA in English
0417 GMT 29 Jun 90

[Text] Tokyo June 27 (KNS-KCNA)—The Japanese security authorities' attempts to make secret inquiries into Koreans affiliated with the General Association of Korean Residents in Japan (Chongnyon) now was uncovered to lash the Korean residents in Japan into fury.

A judicial officer of the Kanagawa Public Security Investigation Office on June 18 called at the house of a member of the Commerce and Industry Association under the Konan branch, Kanagawa Prefecture, of Chongnyon, taking him for a Japanese and asked him about the family composition and conditions and occupation of another Korean living nearby.

When the Korean businessman, smelling a rat, asked the judicial officer, "Why are you investigating him? What are you? I am also a Korean under Chongnyon," he hurriedly fled.

A person belonging to the Kanto Public Security Investigation Bureau also visited the house of a Korean in Kanagawa Prefecture and tried to make private inquiries into the Chongnyon organization.

These facts show that the Japanese public security authorities work hard to destroy Chongnyon organization and disunite the Korean residents closely rallied behind the DPRK and Chongnyon, regarding Chongnyon as an organization suspicious of violating the "law on preventive measures against destructive activities."

Chong Yun-hoe Named Ambassador to Mongolia

SK2906013090 Pyongyang KCNA in English
0413 GMT 29 Jun 90

[Text] Pyongyang June 29 (KCNA)—According to a decree of the Central People's Committee of the Democratic People's Republic of Korea, Chong Yun-hoe was appointed ambassador extraordinary and plenipotentiary of the Democratic People's Republic of Korea to the Mongolian People's Republic.

Kim Yong-nam Meets Malagasy President Ratsiraka

SK2906052690 Pyongyang KCNA in English
0444 GMT 29 Jun 90

[Text] Pyongyang June 29 (KCNA)—Malagasy President Didier Ratsiraka on June 27 met Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-premier and foreign minister, who participated in the celebrations of the 30th anniversary of the independence of Madagascar and the 15th anniversary of the start of the socialist revolution as special envoy of President Kim Il-song of the Democratic People's Republic of Korea.

The special envoy conveyed a personal letter and greetings of the great leader Comrade Kim Il-song to President Didier Ratsiraka. He also conveyed the greetings of dear Comrade Kim Chong-il to the president.

The president expressed deep thanks for this and asked the special envoy to convey his wishes for happiness and health of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

He stressed that Madagascar will invariably support the Korean people's cause of national reunification.

The conversation took place in a friendly atmosphere.

Ministry of Armed Forces Hosts 'Film Reception'

SK2606220690 Pyongyang KCNA in English
1459 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—The Ministry of People's Armed Forces arranged a film reception today to mark the beginning of the month of anti-U.S. joint struggle. Invited there were military attaches of foreign embassies here. They appreciated the Korean documentary film "The Fatherland Liberation War."

Kim Chong-il's 'On-The-Spot Guidance' Marked

SK2906054090 Pyongyang Domestic Service in Korean 2300 GMT 28 Jun 90

[Text] On 27 June, functionaries of the General Federation of Trade Unions of Korea [GFTUK], scholars, and teachers held on-the-spot instruction and discussions to mark the 15th anniversary of dear Comrade Kim Chong-il's proclamation that our world is the world of the working class, which he made while conducting on-the-spot guidance [hyonji chido hasimyonso] at the Yongyang mine.

Comrade Kim Chung-nin, secretary of the Central Committee of the Workers' Party of Korea; Won Tong-ku, chairman of the Central Committee of the GFTUK; and other functionaries concerned participated in the discussions, along with the workers of the Yongyang mine and functionaries of the GFTUK.

Discussions were held under the following titles: "The Ideology of Dear Comrade Kim Chong-il, Who Said That Our World Is the World of the Working Class, Is a Great Ideology That Elucidates Our Society's Characteristics and the Position of the Working Class"; "The Working Class Is a Revolutionary Leadership Class That Possesses a Historic Mission To Complete to the End the Cause of Socialism and Communism"; "The Working Class Is a Vanguard Unit That Reforms Nature, Society, and Mankind According to the Demands of the Chuche Idea"; "Deeply Possessing Revolutionary Faith and Integrity While Remaining Faithful to the Party and the Leader Is the Most Important Ideological and Spiritual Characteristic of Our Working Class"; "Strengthening the Characteristics of the Working Class in a Socialist Society Is Inevitable in the Development of a Socialist Society"; and "The Great Vitality of the Classical Proposition in Which Dear Comrade Kim Chong-il Said That Our World Is the World of the Working Class." These discussions were led by (Kim Chi-hun), assistant department head, associate professor, and junior doctor of the Kim Il-song Senior Party School; (Kim To-kyu), director of the Academy of Social Sciences and junior doctor; (Im Kum-tong), director of the Central Committee of the GFTUK; (Chang Chae-yong), department head and junior doctor of the Kumsong Political Institute; (Yi Chang-se), teacher and junior doctor of Kim Il-song University; and (Pak Yun-chong), secretary of the Primary Party Committee of the Yongyang mine.

Those carrying out the discussions said that the working class and workers throughout the nation are significantly welcoming the 15th anniversary of the day that dear Comrade Kim Chong-il proclaimed that our world is the world of the working class. These discussions were held within the context of the overflowing circumstances upholding the historic policy speech of the great leader and the vigorous waging of the struggle to further manifest the superiority of our country's socialism.

They indicated that in July 1975, when dear Comrade Kim Chong-il visited the Yongyang mine, he had said that nothing associated with the working class could be regretted and he went on to elucidate the great ideology that our world is the world of the workers.

They said that this ideology is an ideology that scientifically elucidates the true nature of our society and the position and role of the working class. They also emphasized that this is a unique formula that has great significance in carrying out the development of the revolutionary theory of the working class and in the cause of carrying out the revolution.

They said the idea that our world is the world of the working class clearly elucidates the nature of our society from the perspective of class relations and the leading status and role of the working class within our society.

They noted that according to this idea, the working class-oriented nature of socialist society—the nature of socialist society being identical to the nature of the working class in an intrinsic sense—has been brought to light scientifically and theoretically, and a scientific and theoretical guideline for correctly expounding the superiority of socialism has been provided.

They further discussed the fact that the working class is the leading class of the revolution with the historic mission of consummating the socialist and communist cause.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has noted: The working class is the most revolutionary and cultured class. There is no more revolutionary and civilized class than the working class, which upholds its historic mission-building communism to be the ideal of mankind.

The speakers said that the reason why the working class is the leading class of the revolution with the historic mission of consummating the socialist and communist cause is, first of all, connected with the fact that the cause is for the sake of the working class.

Saying that socialist and communist construction is the cause of the working class to completely achieve the independence of the popular masses, including the working class, and is a revolutionary cause aimed at providing the people with an affluent and civilized life, they noted that this historic cause of achieving precisely the demands and ideas of the working class can be put into practice by its role as the leading class.

They further said that the working class has become the leading class of the revolution, which will consummate the socialist and communist cause, because it is the most revolutionary and advanced class with the strongest revolutionary and organizational spirit and the most independent and creative class.

Noting that to fulfill its historic cause the working class must be under the leadership of the great leader, they stressed that this is the truth shown by the history of the international communist movement.

The genuine way for the working class to fulfill its sacred historic mission as the most revolutionary and advanced class lies in upholding the great leader and devoting its loyalty to him.

Our socialist society, in which the great chuche idea has been embodied, is the society of the working class and the people because it is within our society that they are the genuine masters of society.

They further talked about the fact that under the leadership of the party, our working class is serving as a vanguard unit in the struggle to remodel nature, society, and man as demanded by the chuche idea.

They said the reason the role of the working class is further increasing in our society, and, therefore, the reason the working class-oriented nature of society is becoming further strengthened, is an inevitable course of our developing socialist society.

They noted the justness and vitality of the idea our world is that of the working class have been vigorously confirmed in all fields of the revolution and construction.

The speakers noted the dear Comrade Kim Chong-il's idea elucidates the working class-oriented nature of the activities of our state, which firmly adheres to the working class-oriented principle and enforces all policies in conformity with its interests, and it has become the militant banner that encourages and prompts the working class to brilliantly fulfill its historic mission.

They stressed we should give full play to the superiority of our own socialist system and reward the trust of the party and the leader with loyalty by constantly upholding the banner of the chuche idea and the banner of socialism, as well as by fulfilling our duty as the vanguard unit.

South Korea

Dailies Publish Photograph of Kim Il-song

SK2906002290

[Editorial Report] On 28 June, the South Korean vernacular dailies CHOSON ILBO, HANGUK ILBO, TONG-A ILBO, CHUNGANG ILBO, and KYONGHYANG SINMUN carry a photograph showing DPRK President Kim Il-song being helped down a set of stairs by two bodyguards after attending his 15 April birthday celebration in Pyongyang. On 29 June, the English-language papers THE KOREA TIMES and THE KOREA HERALD also carry the photo on their front pages.

According to the papers, the photo originally appeared in the latest edition of the Czechoslovak weekly SVET V OBRAZECH, which THE KOREA HERALD says "criticized the isolated society of north Korea and confirmed the senility of Kim." THE KOREA TIMES, meanwhile, describes the 78-year-old North Korean leader by saying Kim "looks infirm" while being assisted down the stairs. Aside from cutlines that briefly describe the photo and note that it came courtesy of SEGYE ILBO, no reportage accompanies the photograph.

Two Delegates to N-S High-Level Talks Replaced

SK2906034390 Seoul Domestic Service in Korean 0300 GMT 29 Jun 90

[Text] The government today replaced Kim Sang-hun and Yom Chong-chol, two of the five delegates to the preliminary talks for the North-South high-level talks, with Choe Son-hui, secretary of the presidential secretary office, and Sin Song-ho, director of the Information and Culture Department of the Ministry of Foreign Affairs. This morning, Song Han-ho, our side's chief delegate to the preliminary talks on the North-South high-level talks, sent a telephone message to Paek Nam-chun, the North side's chief delegate, to notify him of this.

Steps May Bring DPRK to Conference Table

SK2906014090 Seoul THE KOREA TIMES in English 29 Jun 90 p 6

[Editorial: Nonaggression Proposal]

[Text] [The] government has made it clear it will seek a nonaggression declaration or treaty with North Korea in its quest to defuse tensions and achieve peace on the Korean peninsula. National Unification Minister Hong Song-chol disclosed the plan in an interpellation session of the National Assembly Tuesday, indicating that the measure was now taking concrete shape.

The main content of the prospective nonaggression pact is, according to Hong, a call for mutual respect of the present borders, recognition of each other's sociopolitical order, nonuse of armed forces and peaceful settlement of disputes and an international guarantee of the declaration or treaty.

The nonaggression proposition is not new. Yet it draws special attention in light of the current inter-Korean situation: Seoul and Pyongyang are about to resume dialogue that was suspended last February by the North in protest against the annual ROK-US military exercise, Team Spirit and Pyongyang is presumed to be under increasing pressure to open up its society especially since the San Francisco summit between President No Tae-u and Mikhail Gorbachev.

The idea of a nonaggression treaty was first raised by former president Pak chong-hui in his special statement addressed to North Korean president Kim Il-song in January, 1974 apparently to cope with the North Korean proposal of a peace treaty with South Korea. But Pyongyang spurned the Seoul overture and later came out with a revised peace treaty version with the United States as its only counterpart, excluding Seoul. Pyongyang's ostensible reason was that Seoul was not a signatory to the Armistice truce, signed by the United States, China and North Korea.

The North's peace treaty proposal was no doubt designed to achieve withdrawal of U.S. forces from the South and eventually unify the whole of Korea under communist control. So naturally Pyongyang's position was opposed to the Seoul-proposed nonaggression treaty aimed at preventing internecine war and peaceful coexistence, while leaving the American troops in the South intact.

The Seoul government has repeatedly renewed the offer of a nonaggression pact, the latest one being presented by President No in his special address at the United Nations General Assembly in October, 1988. No's statement stressed the need for the pact in order to provide a framework for the buildup of mutual trust and a guarantee of their security.

The No overture, nevertheless, was virtually dismissed by another Pyongyang proposal for an inter-assembly "declaration" of nonaggression, implicitly denying the authority of the Seoul government. The government's basic policy was to seek a treaty with a sort of binding force provided by such a measure as the guarantee of the pact, if concluded, by the four relevant powers—the United States and Japan as against the Soviet Union and China.

Indeed, without bilateral obligation for the observance of the agreement or a related international guarantee, the proposed nonaggression treaty only has symbolic or propagandistic effect. Are there any signs of changes in the Pyongyang leadership? The answer is negative for the present but there is a hope.

Pyongyang has, tactically or not, put forward a set of new overtures that are similar to or compatible with the Seoul proposals so far suggested, including abolition of all military facilities in the demilitarized zone and peaceful utilization thereof, installation of an inter-Korean military hotline and fostering of mutual trust for an overall disarmament in the South and North.

The government, on the other hand, may well take some reciprocal action to bring the North to the conference table on arms reduction. Conceivable for the present are the suspension or scaledown of the annual ROK-US military drill, readjustment of the military commandership between Korean and U.S. forces and planning for gradual pullout of the American troops from Korea.

Panel for Arms Control on Peninsula Likely

SK2906064290 Seoul YONHAP in English 0632 GMT 29 Jun 90

[Text] Seoul, June 29 (YONHAP)—The government is likely to set up a body to exclusively deal with arms control on the Korean peninsula. The group's three-part goal is confidence-building on the divided peninsula, arms control and arms reduction.

Members of the ruling Democratic Liberal Party's special committee on northern policy and a few cabinet ministers also decided Friday that a unified channel was needed for economic cooperation with communist countries. Attending the meeting were Rep. Kim Hyon-uk and other committee members, deputy prime minister Yi Sung-yun, Foreign Minister Choe Ho-chung, National Unification Minister Hong Song-chol and Yim Tong-won, dean of the Institute of Foreign Affairs and National Security. Yim said an inter-ministerial body was needed to deal with arms control as the subject is directly linked to reunification of Korea.

Nonaggression Pact With North Worth 'Pursuit'

SK2806021690 Seoul THE KOREA HERALD in English 28 Jun 90 p 8

[Text] Minister of Unification Hong Song-chol told the National Assembly that the government is giving sympathetic consideration to a joint nonaggression declaration with north Korea and getting ready for a nonaggression pact to formalize such an accord.

In answer to interpellation, Hong said an inter-Korean declaration to renounce aggression is desirable to bring peace and stability to the Korean Peninsula, although such a declaration would not be binding under international law. Even a legally binding treaty will be of little avail in case of outright violation by the contracting parties.

Nevertheless, a nonaggression declaration is worthy of pursuit even for its limited and symbolic value. It may be the best possible option available under the present circumstances. It could no doubt mark a big step forward in our quest for detente and conciliation between the two parts of the divided country.

Minister Hong elaborated that a nonaggression formula acceptable to the south should call for mutual respect for the present border and the existing sociopolitical systems, nonintervention in each other's internal affairs, commitment to nonuse of arms and peaceful settlement of disputes and an international guarantee of nonaggression.

All the concepts and principles suggested are relevant and imperative. It is noticeable, however, that they sound very familiar, for they are quite similar to the guiding ideas of the July 4 Joint Declaration issued in 1972.

Whether the proposed principles are new or identical to the old ones matters little. The basic requirement of a bilateral or multilateral agreement between nations and governments is its effectiveness and binding force. To put it differently, such an accord has to rest on the good faith, sincerity and firm commitment of the parties concerned.

While welcoming Seoul's initiative to bring Pyongyang around to a nonaggression declaration or pact, we must not pass over the unfortunate experience of the treachery of the north Korean Communists who kept digging infiltration tunnels underneath the Demilitarized Zone into the south after the July 4 declaration, in which Pyongyang promised not to abuse and provoke the south.

North Korea's bent for paying lip service and its tactics of double-crossing should now give way to straightforward and responsible actions. Not the wording or lucidity of a declaration, but earnestness in adhering to its spirit, is important.

Preparatory dialogue could afford a chance to determine the honesty and dependability of North Korea in eliminating aggression from this land.

Issues Concerning Relocating U.S. Base Viewed

SK2806112690 Seoul CHOSON ILBO in Korean 28 Jun 90 p 3

[Editorial: "Yongsan Base To Be Relocated"]

[Text] It appears the U.S. military base at Yongsan, Seoul will finally move to another location. The Governments of Korea and the United States signed a memorandum of agreement on the relocation of the base on 25 June, and it was learned the relocation will start in July.

It was learned a large park, including playgrounds, a folk arts center, and even a baseball park, will be built where the U.S. base is located. However, the Seoul citizens and Korean people in general, who will pay for the relocation of the base and the construction of a park there, do not know anything about how the negotiations proceeded and how much money the relocation will cost, except for the fact "the base will be relocated."

It was learned President No Tae-u referred to the relocation of the Yongsan U.S. military base in March 1988 for the first time and that this issue was discussed in last October's Korea-U.S. summit talks. This issue, however, so far has aroused very sensitive controversies involving Korea and the United States.

First, "national pride" and anti-U.S. sentiment, aroused by the winds of democracy and reunification, entrusted negotiators with very sensitive and difficult tasks. Let us give an example. The Korea-U.S. Status of Forces Agreement [SOFA] stipulates that "according to Clause 4 of the Mutual Defense Treaty, the United States of America will be granted the right to use facilities and areas in the ROK." We doubt whether, despite this clause, the relocation can proceed smoothly as Koreans intended.

Suppose this issue is concluded based on an agreement between the top leaders of the two countries and their political considerations. More problems will still remain. The SOFA contains very many clauses very unfavorable to us and favorable to the United States. This agreement was signed in 1966, when we were under unilateral indebtedness to the United States. Is it not a correct procedure to revise or abolish this agreement first, before relocating the base?

The second issue is money. We do not know how secret this issue is and whether our enemy should not know. But people—taxpayers—have a right to know, roughly, at least, how much money is needed and for how long such money is needed. It was learned such pertinent ministers as the ministers of foreign affairs, home affairs, national defense, and construction and the mayor of Seoul met, examined the Korea-U.S. agreement on the relocation of the Yongsan 8th Army base, and discussed measures.

Even though several days have passed since Korea and the United States exchanged the memorandum of agreement on the relocation of the base, however, pertinent ministries have been "mute." Is this right? It is said the cost of relocating the base—the purchase of a site for the new base, the transportation of equipment and other things, and the construction of buildings and facilities—is estimated at approximately 1 trillion won and that the Korean Government will pay for almost all the bill. Another estimate is more than 3 trillion won. However, we only know estimates.

If any of these enormous amounts is correct, we want to know how much money must come from our coffers for national defense and our city coffers. We also ask whether it is inevitable to use that money. It was learned that, a while ago, our government paid for the construction of a ten-story hotel for the U.S. forces inside the Yongsan 8th Army base in return for our government's possession of the "Naija Hotel," a U.S. military facility in Naeja-tong, Seoul. It was also learned Seoul city gave construction permission to the U.S. Army and paid for the transportation of equipment and other things—$4.85 billion. If the relocation of the Yongsan base starts in July, this means the "Naija Hotel" will be relocated for the second time. Is it not a waste of money?

Finally, regarding the plan to build a citizens' park on the Yongsan base, we hope the overambitious plan to build a variety of facilities in the citizens' park will be reexamined. If we look down at it from Namsan hill, the 8th Army base is a very good green zone compared to the former site of the Korean Army Headquarters, which is located next to the U.S. Army base. We say this because we worry the plan to build various facilities in the park may ruin the historic site where troops were and are stationed.

Moscow Paper Demands Cutting North, Cuba Ties

SK2906093290 Seoul TONG-A ILBO in Korean 29 Jun 90 p 2

[Report by correspondent Yi Nak-yon from Tokyo]

[Text] In a report wirefiled from Moscow, the 29 June edition of YOMIURI SHIMBUN reported that the 28 June edition of MOSKOVSKIY KOMSOMOLENTS, a Soviet reformist newspaper, carried an essay that describes North Korea and Cuba as "Stalinist authoritarian states" and that demands the Soviet Union sever its diplomatic ties with these two countries and stop oil supplies to them.

YOMIURI SHIMBUN also reported that this essay pointed out that at this time, when the Stalinist structure in Eastern Europe has perished, a "system similar to that of Ceausescu" still exists in North Korea and Cuba.

YOMIURI SHIMBUN also reported that this essay denounced the fact that "Kim Il-song is transferring all of his power to his son" and described Cuba as a "gulag archipelago."

YOMIURI SHIMBUN also reported that this is the first time that a Soviet media organization has demanded that the Soviet Union sever its diplomatic ties with North Korea and Cuba, which have rejected reforms and democracy, and stop giving assistance to them, even though the Soviet media have stepped up their denunciations of these two countries.

Hyundai Expands Business Deals With USSR

SK2806132090 Seoul YONHAP in English 1238 GMT 28 Jun 90

[Text] Seoul, June 28 (YONHAP)—Chong Chu-yong, founder and honorary chairman of the Hyundai Business Group, said Thursday [28 Jun] that he finally concluded during his latest two-week visit to the Soviet Union a contract to develop forestry resources in Svetlaya. Chong also said Hyundai and the Soviet authorities have agreed in principle on the need to have a pipeline linking the natural gas reservoir in Sakhalin with South Korea through North Korean territory.

The leading South Korean industrialist told reporters upon his arrival here that his business group has separate plans to build a pulp plant in the maritime province of Siberia and develop jointly with the Soviets a coal mine in Yakutsk. Regarding his plan to develop Soviet natural gas resources, Chong said he and responsible Soviet officials agreed to commence with the reservoirs near Sakhalin instead of previously talked-about gas fields in Yakutsk. The Soviet authorities concerned are believed to be discussing with their North Korean counterparts to sound them about a plan to construct a trans-border pipeline through North Korean territory, Chong added.

The gas field in Sakhalin has already been exploited but still boasts of a reserve that can satisfy South Korea's demand for 30 years, he explained. Chong said Hyundai and the local government of the Yakutsk republic signed a contract to jointly develop a coal mine of which reserves total about 2.5 billion tons. The Russian republic and the Soviet federal Government assured of their supports to Hyundai's plan to construct a 30 km-long railway linking the mine to the Trans-Siberian Railroad, he added. Hyundai has also decided to study the feasibility of constructing a joint-venture pulp plant in the maritime province at the request of the local government, according to the industrialist. The provincial government was known to have offered to build the 700 million- to 800 million-dollar plant near a small port some 100 km north of Vladivostok.

Touching on the forestry development project, Chong said the Soviet authorities gave the green light to the project during his stay in the Soviet Union. His business group is expected to import timber produced in Svetlaya as early as by coming September. Over 2,000-3,000 ethnic Koreans living in China's Jilin Province will be employed in addition to unknown number of local laborers in the lumbering work there, Chong said. Chong said he would visit the Soviet Union again in a few months to discuss pending business deals.

Japanese Highjackers Want To Return From North

SK2906015690 Seoul THE KOREA TIMES in English 29 Jun 90 p 3

[Text] Tokyo (Reuter)—Seven Japanese men who hijacked a Japanese airliner to North Korea 20 years ago want to come home, the ASAHI SHIMBUN newspaper said on Thursday.

In a report from Pyongyang, it quoted the former members of the Japanese Red Army urban guerrilla group as saying they had written to Prime Minister Toshiki Kaifu asking to be allowed to return home, even without immunity from prosecution.

Seoul Seeking Improved Relations With PRC

SK2906012290 Seoul YONHAP in English 0111 GMT 29 Jun 90

[Text] Seoul, June 29 (YONHAP)—The South Korean Government will seek to expand economic relations with China by opening official channels for dialogue and extending the stay of trading company workers. The Beijing Asian Games in September will, Seoul hopes, give impetus to relations between the two countries, particularly to resuming the talks on official dialogue that were suspended after the Tiananmen Square pro-democracy demonstrations last year.

The two countries were nearing agreement on exchanging offices to deal with trade and visa matters when the Chinese Army crushed the pro-democracy movement on June 4, 1989. Priority will be given to improving the status of Korean trading company branches, now registered with corporations in third countries, and Koreans in China, who must have their visas renewed every three months. South Korea will ask China to extend the stay of businessmen by issuing separate business and tourist visas. Seoul will also seek an investment guarantee with Beijing as Korean investment in China is growing faster than in the Soviet Union and other East-bloc nations. Government officials expect considerable progress to be made by the end of the year and say it is very likely that an official channel for consultations will open by then.

Approval Granted for Joint Venture in Malaysia

SK2906015490 Seoul YONHAP in English 0119 GMT 29 Jun 90

[Text] Seoul, June 29 (OANA-YONHAP)—Sunkyong of South Korea won approval Thursday for a joint venture in Malaysia to produce plywood. Sunkyong will form a 40-60 joint venture, capitalized at 22 million U.S. dollars, with two Malaysian mountain owners in Sarawak to produce 100,000 cubic meters of plywood a year, according to the forestry administration. It said 40 percent of the output will be shipped to Korea and the remainder sold in the United States and other third countries. Full-scale production will begin late next year, or whenever the factory is completed, it said. It is Sunkyong's second lumber venture abroad. The first one was in Padang, Indonesia, in 1980.

Papua New Guinea's Foreign Minister Arrives

SK2806022490 Seoul THE KOREA HERALD in English 28 Jun 90 p 2

[Text] Foreign Minister of Papua New Guinea Michael Somare arrived in Seoul yesterday for a four-day official visit.

While in Seoul, he will have talks with Foreign Minister Choe Ho-chung and discuss ways of promoting bilateral ties between Korea and his country.

Assembly Session Suspended Over Funds' Diversion

SK2906024690 Seoul YONHAP in English 0204 GMT 29 Jun 90

[Text] Seoul, June 29 (OANA-YONHAP)—A tumultuous session of the National Assembly was suspended six times Thursday as opposition politicians charged that 161 million won was diverted from the Seoul city budget to President No Tae-u's election campaign in 1987. Lawmakers from Kim Tae-chung's Party for Peace and Democracy (PPD) said the money was illegally handed out to ward office chiefs and lower administrative officials in No's name by the then-ruling Democratic Justice Party (DJP). No was the DJP's candidate for president.

The session was automatically adjourned at midnight as the Democratic Liberal Party (DLP) and PPD had failed to settle the dispute. PPD lawmakers produced what they said was a government document that proved the misappropriation, but Prime Minister Kang Yong-hun dismissed it as a fake.

"It is unclear who produced this document or who signed it. I will report to the National Assembly who was responsible after an accurate probe," Kang said.

The claims were triggered by a government whistle blower charged with leaking official secrets to the press. Yi Mun-ok, an official of the Board of Audit and Inspection, revealed that Seoul city misused billions of won from its budget for No's campaign and that the board canceled an inspection of government agencies because of "outside pressure." PPD lawmakers accused the ruling party and the government of attempting to hide truth.

"The arbitrary diversion of state funds to an election campaign to retain power is obviously embezzlement. We deplore the DLP's attempt to interrupt the truth-finding activities and urge it, in the name of the people, to repent," a PPD statement said. The DLP, denying the evidence, accused the PPD of interrupting the National Assembly session with an "inaccurate document." Due to the confrontation, two of seven lawmakers scheduled to ask questions about economic affairs were prevented from taking the floor.

'June 29 Declaration' Analyzed After 3 Years

SK2906012490 Seoul THE KOREA HERALD in English 29 Jun 90 p 2

[News analysis by staff reporter Kang Sung-chol]

[Text] Three years after it was announced, the "June 29 Declaration" still serves as the chief guiding principle for President No Tae-u and his government.

The declaration, a set of reform proposals made by No, has had a symbolic meaning. To many people, it conjures up the idea of full democracy.

One of the most widely quoted political phrases, the declaration has also served as a major yardstick for gauging political developments.

No now may feel the need to rekindle the spirit of the declaration as the opposition puts pressure on him to keep his word.

Records show that the President has carried out some reforms as he promised, but some important issues have yet to be resolved.

One of No's most outstanding achievements may be that he gained legitimacy in the government by being elected through a direct, popular vote. It should be noted that the current Sixth Republic was inaugurated through the first-ever peaceful transfer of power in the nation's constitutional history.

Significant progress has also been made in expanding the basic rights of the people and guaranteeing the freedom of the press.

But the President has to cope with opposition criticism that he is too slow in implementing some crucial reforms, including the introduction of the system of local self-government. The opposition is also accusing him of lacking the will to revise what it alleges are undemocratic laws such as the National Security Act.

Corruption deeply rooted in officialdom and other sectors of society also remains to be a problem. As a remedy, the President has ordered a massive anticorruption probe by a special task force under his direct control.

Evaluations on No's achievements may differ, but he says he will continue to live up to the spirit of the declaration. He says so with increasing confidence.

The confidence may stem from the fact that he has succeeded in reorganizing the nation's political structure. His Democratic Liberal Party, created in January out of the merger of the ruling party and two opposition groups, now controls more than two-thirds of the parliamentary seats.

With the comfortable majority in parliament, No can be said to have secured a basis to carry out his policies more effectively and confidently. Before the merger, No's party was a minority in parliament and he suffered extreme political trouble.

No's aides are attaching a new meaning to the declaration, with regard to prospects for national unification.

They reason that the legitimacy of the present government has enabled it to push northern policy actively and effectively. The policy is designed to improve relations with socialist countries and to ultimately foster a favorable atmosphere for national unification.

No is vowing to transform the nation into one that can play a "central role on the stage of world history." He also says he is determined to bring about an "epochal change" in relations with north Korea before the turn of the century.

The President is exerting steady efforts to realize the goals, as seen by his June 4 meeting with Soviet President Mikhail Gorbachev.

The summit was largely seen as a signal that the normalization of relations between Seoul and Moscow is near and that some significant changes in political situations on and around the Korean Peninsula are taking place.

Seoul has already opened full diplomatic ties with all East European countries except Albania and East Germany. It also established formal ties with Mongolia.

No is also optimistic about prospects for improving relations with China. His chief policy-makers are predicting that the Beijing Asian Games this fall will provide a major turning point in relations between Seoul and Beijing.

No has served nearly half of his single five-year tenure. During the remaining half, he will face numerous tasks. One of them will be over whether to revise the Constitution to replace the present presidential form of government with a parliamentary cabinet system.

The ruling party's move would certainly invite a fierce protest from the opposition and create an unstable political situation.

It remains to be seen whether and how No will manage to amicably settle the issue of constitutional revision and other difficult questions.

The people still vividly remember the excitement, three years ago today, when No presented an eight-point declaration, including the acceptance of the opposition demand for direct presidential elections.

Citizens rejoiced at the news of the declaration, and massive antigovernment demonstrations suddenly stopped. No's popularity among the public drastically increased, and he went on to win the presidential election held later that year.

No may give the people euphoria again, if he succeeds in securing long-lasting political stability and bringing about a breakthrough in inter-Korea relations as he promised to do.

Minister of Trade on Export-Import Balance

SK2906040490 Seoul THE KOREA HERALD in English 29 Jun 90

[From the KOREA HERALD Supplement "Ministry of Trade"]

[Text] The government will not hold back on its promise to liberalize imports and lower tariffs, Minister of Trade and Industry Pak Pil-su said.

"We will neither delay import liberalization nor push for an unreasonable export drive," Pak said in a recent interview with The Korea Herald.

He said, "Instead, we will seek to balance exports and imports through fair trade."

A recent dispute should not have taken place between Korea and the United States over the alleged role of the Korean government behind a campaign against luxury imports, he said.

A U.S. investigation must have proved the campaign for frugality was led not by the Korean government but by consumer organizations, he said.

The consumer organizations called for self-restraint in excess consumption, harnessing people's anger against the lifestyle of wealthy people who gained much from speculation in real estate, he said.

The United States, he said, should not apply undue restrictions to imports from Korea.

Some of the U.S. customs officials arbitrarily apply rules on textile quotas, the place of origin, quarantine and sanitary inspection when imports from Korea are in the process of customs clearance.

Such restrictions by U.S. customs officials hamper Korean exports to the United States, he said. "I don't think, however, that they are ordered by the U.S. administration."

Despite the recent trade conflict, he said, both Korea and the United States wish to promote bilateral trade.

Korean imports from the United States may surpass Korean exports to the United States during the second half of this year, he said.

But overall Korean exports are likely to recover from the first- half slump for which the government, businesses and workers were all responsible, he said.

It was a great mistake for the government to remove tax favors, favorable loans and other incentives for exporters, he said.

"In the name of surplus management, the government penalized exports. It stopped almost all export incentives," he said.

Businesses neglected research and development when exports boomed in 1986-88, he said. "As a result, they do not have many marketable products now."

Then workers began to demand high wage increases, which drove up export prices, he said.

Action by the three parties against exports led to deterioration in the balance of payments, he added.

"How can we pay back the interest on our $30 billion external debt and the principal (without earnings from exports)?" he wondered.

With the balance of payments problem looming larger, the government, businesses and workers now appear to be reawakening to the importance of exports, he said.

Following are excerpts from the interview with Pak:

—On what has caused the export slump:

During the three years from 1986, the economy was on an upswing with the aid of exports. The balance of payments turned into the black for the first time in 1986.

Then adverse signs began to show up in the economy. Buoyed by the economic boom, some people went so far as to regard exports as a necessary evil.

They argued that an increase in exports would threaten economic stability by causing monetary expansion and then inflation.

They proposed the government restrict exports and encourage imports for economic stability.

—On the change in attitude toward exports:

As I said earlier, exports have been penalized. Every company turned its attention to imports.

Ambitious young men wanted to get involved in exports in the 1970s and the early 1980s. Now they choose imports, which provide better opportunities for promotion.

I think it is a big problem.

—On insufficient investment in manufacturing:

There has been a sudden drop in the rate of growth in manufacturing. It grew at a rate ranging from 13 percent to 15 percent until 1988. But last year, the rate dropped to 3.4 percent.

Growth in production depends on new investments. But money which would have been invested in manufacturing was diverted to construction and service sectors.

—On exports by region and by item:

Our major markets have been the United States, Japan and the European Community.

We have suffered from chronic deficits with Japan. The gap between exports and imports is widening in a reversal from earlier reductions.

We have sustained surpluses with the United States and the European Community, which has been a source of friction.

But our trade with the European Community has turned into the red since April. We may have a deficit with the United States during the second half of this year.

It is unbearable to think that we would lose money in trade with all of the three major partners.

Exports of our major items are also in bad shape.

Textile exports are in the doldrums. Autos, once thought to lead Korean exports, have seen shipments drop 40 percent. Footwear is one of the few items that fare well.

—On market opening:

It would be desirable to open our market completely. But I have reservations about complete opening for a nation which has deficits.

But you cannot close the door once you have opened it. You cannot restrict imports because of balance of payments difficulties.

My ministry cannot tell people not to buy imported goods. Instead, we have to encourage imports. But we cannot finance imports when exports fail to grow. The only way out is to expand exports.

—On the reluctance of business to promote exports in the face of declining profitability:

I understand them. But I think it is wrong for them to expect sunny days only.

We have to study what Japanese businesses did when the Japanese yen appreciated sharply.

They tided over such difficulties. Why can't we do so?

It is not a desirable type of management to focus on imports only just because they pay handsomely.

There is nothing wrong with businesses seeking maximum profits in a democratic society. But the pursuit of profits is not all for businesses. They can do more than that.

—On possible improvement to the export industry:

Wages have risen substantially for workers employed in the manufacturing sector. Workers should be discouraged from moving from the manufacturing sector to the service sector.

We will have to create an environment in which workers in the manufacturing sector take pride in their productive role.

All people must be convinced of the need to promote exports. We need to have some people crazy about exports.

Private Overseas Investment Triples During May

SK2806024090 Seoul YONHAP in English 0231 GMT 28 Jun 90

[Text] Seoul, June 28 (YONHAP)—Overseas investment by private companies more than tripled in May from the same period last year, the Finance Ministry said Thursday.

In May, 120 million U.S. dollars was invested in 33 projects, up 220 percent from 37 million dollars in 21 instances a year earlier, the ministry said. The ministry said 340 million dollars was invested abroad in 152 projects in the first five months, up 124.7 percent from 151.3 million dollars in 93 projects last year. The most money in January-May, 152.1 million dollars, went to North America in 39 projects, followed by 112.7 million dollars for 86 projects in Southeast Asia and 26.3 million dollars to Europe. By field, 149.9 million dollars was spent on 85 manufacturing projects, 118 million dollars on 28 trade business projects and 30.7 million dollars on two mining projects, it said. Investment in overseas real estate was not made in the first five months.

Companies 'To Import as Much Cement as Possible'

SK2906014690 Seoul YONHAP in English 0135 GMT 29 Jun 90

[Text] Seoul, June 29 (YONHAP)—The trade and industry ministry has told cement makers to import as much cement as possible to offset serious shortages in South Korean production. It says the volume of foreign cement available for purchase is 1.86 million tons in 11 countries, and calculates that at least 1.6 million tons can be imported.

The ministry, which had hoped to import 1.25 million tons of cement this year, says shortages caused by a construction boom are delaying construction of critical projects such as flood barriers. Sangyong Cement Ind. Co. Has been told to buy cement from Jordan and Syria, Tongyang Cement Corp. from Greece and Turkey, Hyundai Cement Co. from Yugoslavia and France, Hanil Cement Manufacturing Co. from Argentina and Colombia, Asia Cement Manufacturing Co. from Hong Kong and Tunisia and Sung Sin Cement Ind. Co. from Mexico. The ministry has told the companies to import the cement as soon as possible.

Burma

Parliament Cannot Convene 'Before September'

BK2806142890 London BBC in Burmese to Burma 1345 GMT 28 Jun 90

[Text] The Myanmar [Burmese] deputy foreign minister, U Ohn Gyaw [director general of the Foreign Ministry's Political Department], has said the new People's Assembly chosen by the elections in May may not be able to convene before September. During an interview with the BBC, U Ohn Gyaw said this was because a 60-day period has been given to the candidates of the May elections to file complaints.

The opposition National League for Democracy won 80 percent of the votes in the election.

Once the People's Assembly is formed, that new parliament will be responsible for deciding the tenure of members of parliament, the formation of either a unicameral or bicameral Parliament, and whether or not to hold a national referendum on the draft constitution.

U Ohn Gyaw reiterated the military government's policy that power will be transferred only after the constitution is drafted.

Chit Swe Addresses Forestry Department Meeting

BK2606055290 Rangoon Domestic Service in Burmese 1330 GMT 25 Jun 90

[Excerpts] A coordination meeting of the Forestry Department for 1990-91 was held at 1000 today at the Main Office of the Forestry Department. [passage omitted]

Speaking at the meeting, Lieutenant General Chit Swe, minister for agriculture and forests and for livestock breeding and fisheries, explained the meeting had been convened to review work implemented in 1989-90 and to lay down programs for forestry in 1990-91 and to discuss allocation of funds.

He said he would like to emphasize protection and conservation of forests and reforestation at this meeting. He said there had been allegations abroad regarding forest conservation. He explained that 57 percent of the acreage of Myanmar [Burma] is under forest cover and that compared to other countries, the situation is good. He said despite allegations regarding the country's forest cover, agriculture land, and territorial waters, the satellite photos clearly show the existence of thick forests in Myanmar.

He said some countries are attributing the world's greenhouse effect to destruction of tropical forests in Myanmar. [passage omitted] He explained that since 130 years ago, Myanmar has had a system of selection in extracting and conserving timber systematically and that it has won wide recognition for management of its tropical forests in the Asia-Pacific region. He said despite allegations from international environmental organizations, the local forestry officials currently attending the meeting know more about forestry conservation and timber production from their practical work.

Continuing, Lt. Gen. Chit Swe explained that timber concession areas were marked at the Myanmar-Thai border and timber companies from Thailand were allowed to extract timber because insurgents and some unscrupulous timber companies had been colluding for the past 40 years in logging through unscrupulous methods. They have been encroaching up to seven miles inside Myanmar from the border. When the logging was banned under a royal decree in Thailand, logging through unscrupulous methods at the border increased. Authorities concerned recommended that Thai companies be allowed officially to extract timber in these areas as departmental authorities could not extract timber due to insurgency. Logging at the border was thus allowed because it was mutually beneficial. He said it was not true that logging at the border was allowed because the country needed the foreign exchange. Logging was not permitted for a long term but allowed only for a limited period.

He said it would be essential for these companies to systematically and correctly carry out logging in the concession areas according to the terms of the bilateral agreement. He said they will not be allowed to ask for expansion of the concession area and the reduction of time alloted for logging. He said timber extraction at the border area will be reconsidered only when departmental authorities will be able to carry out their survey work in concession areas when the areas are clear of insurgency.

Continuing, he said some newspapers and journals are saying that the timber trade at the Myanmar-Thai border concerns only the Myanmar Government and some companies in Thailand and that it is of no concern to the Thai Government. He said the Thai companies alone cannot work for extracting and transporting logs, but they have to get permission and approval from the government departments concerned. Therefore, the logging at the Myanmar-Thai border can be undertaken only by these three parties.

He said under the Myanmar forest management system there are prescribed girth and height for trees for logging. The departmental officials responsible must control some companies felling trees below the prescribed girth and height. He said we do not desire gradual depletion of Myanmar's reserve forests and protected forests, but he would rather see a gradual increase in reserve forests and protected forests. [passage omitted]

Lt. Gen. Chit Swe said we are only temporarily in charge of state responsibilities, but it is the departmental personnel who are in charge of departmental work on a permanent basis. He said the service personnel are to completely avoid party politics and that they are to attend only to their departmental work. He added regardless of which party formed the government and assumed state responsibilities, the service personnel are to continue carrying on their departmental work. He said that currently the last of the four tasks of the State Law and Order Restoration Council, that of holding the multiparty democratic general elections, had been carried out successfully and that political parties concerned are to continue the task of forming a strong government stage by stage according to the schedule drawn up by the Commission for Holding Multiparty Democratic General Elections. He said it would be necessary to show exemplary work in forest conservation and leave the good heritage for the youth of the next generation and work collectively for long-term preservation of forests. [passage omitted]

The first day of the meeting ended in the afternoon.

Brunei, Malaysia & Singapore

Malaysia

Reportage on U.S.-Malay Confrontation Over GSP

Mahathir Asks Workers' Support

BK2606084990 Kuala Lumpur International Service in English 0600 GMT 26 Jun 90

[Text] Malaysia will be more successful in defending its Generalized System of Preferences [GSP] status with the support of its workers and state unions. Efforts to retain the GSP status will fail if state union leaders instigate the United States to withdraw the trade privileges. Prime Minister Datuk Sri Dr. Mahathir Mohamed [told] reporters in Arau, capital of Perlis, the northern state in Peninsular Malaysia, that Malaysian workers should ensure that they are not [words indistinct] by foreigners. [passage indistinct]

Datuk Sri Dr. Mahathir said Malaysia, as a sovereign and independent country, should formulate its own labor laws and regulations. He explained that foreign trade union leaders, especially those from developed countries, encourage workers in developing countries to seek unreasonable salary increases and state [word indistinct] because they want to increase the cost of production of goods in developing countries. As a result, goods from developed countries become more competitive.

U.S. Firm Withdraws Petition

BK2706131190 Kuala Lumpur BERNAMA in English 1000 GMT 27 Jun 90

[Text] Kuala Lumpur, June 27 (OANA-BERNAMA)—The Oil-DRI corporation, a co-petitioner calling for the withdrawal of Malaysia's privileges under the Generalised System of Preferences (GSP), will withdraw its action Wednesday [27 June]. Its general manager Nick Gershon said here the decision to withdraw their petition on the "market access issue" was reached Tuesday after they met officials from the Malaysian Trade and Industry Ministry to discuss the entire GSP issue.

"I am glad to say that Oil-DRI and the Malaysian Government have come to very amicable agreement over the situation," he told a press conference. "As a result of the discussions, the corporation will withdraw its submissions to the U.S. trade representative and, therefore, the GSP issue on market access is no longer something on the table," he said. Oil-DRI and the U.S. Poultry and Egg Export Council filed a joint partition—one of four filed by U.S. organisations—to have Malaysia's trading privileges under the GSP withdrawn.

Gershon said the most difficult issue and misunderstanding over the problem, including those concerning Malaysia's policies on duty and tariff, have been solved. The joint petition by Oil-DRI, which manufactures a bleaching agent used in refining palm oil, and the U.S. Poultry and Egg Export Council, complained about market access. Oil-DRI was unhappy that the Malaysian Government increased import duty on its product from two percent to 30 percent and poultry farmers are angry that the government banned the import of chicken parts.

Gershon said the misunderstanding in the U.S. arose when Malaysia introduced a new programme under which 25 percent of the local edible oil industry's requirement for the company's product would be exempted from the 30 percent-import duty. He added that knowledge of the exemption was not widespread and it was not until recently that the company came to know about it because of poor information flow. Gershon made it clear that Oil-DRI had nothing to do with any of the other three petitions, which are on labour issues, and he gave the assurance that the GSP committee would drop its petition, filed jointly with the U.S. Poultry and Egg Council.

"We do not speak directly for them but I can give every assurance that when Oil-DRI withdraws its petition, the process of the petition will be dropped and will not be considered by the GSP committee."

MTUC Refutes U.S. Support

BK2806140990 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 28 Jun 90

[Text] MTUC [Malaysian Trade Union Congress] Secretary General, Mr. V. David, has denied an allegation that the congress supports certain U.S. organizations' petitions against Malaysia's GSP [Generalized System of Preferences] status.

According to BERNAMA, the statement issued by Mr. V. David today contradicted his previous statement which stated that MTUC will not support the government against U.S. organizations calling for the withdrawal of the GSP status to Malaysia.

V. David, who is also the DAP [Democratic Action Party] member of Parliament for Puchong constituency, admitted that the MTUC forwarded its protest to the International

Labor Organization and provided information on labor practises in Malaysia to certain interest groups.

Government Assistance to Boat People Hailed

BK2906102790 Kuala Lumpur International Service in English 0800 GMT 29 Jun 90

[Station commentary]

[Text] Malaysia does not have a policy to forcibly turn back Vietnamese boat people as alleged by some quarters. On the contrary, it is a major recipient of refugees coming out of Indochina besides Thailand.

In the last 15 years, Malaysia has given temporary sanctuary to more than 250,000 Vietnamese illegal immigrants. About 17,000 are still in the country. Last year alone, Malaysia gave a place to stay for about 13,000 boat people.

Despite its humanitarian stand, Malaysia has to counter these allegations which have damaged its good image. What is most disheartening is that countries which only paid lip service to the boat people have escaped international pressure and negative criticism.

It looks as if the so-called critics and defenders of the boat people are misinformed. They also seem to be blind to the fact that little or nothing at all is done by their own countries. In the face of continuous attacks, Malaysia has no choice but to take every opportunity to explain its stand on the subject of Vietnamese illegal immigrants.

Malaysia, for all its good efforts, is severely affected by the massive influx of boat people. It has spent money on food, clothing, housing, medicine, and other amenities to look after the welfare of the illegal immigrants. But all this does not seem to be appreciated or reported. Here it is timely considered that over the last 10 years, Malaysia has been patiently waiting for the Western governments to come out with a solution to the refugees problem. These countries have been promising that they will deal with the problem. Also, they promised to provide temporary shelter for these people, but so far it has been more talks than action.

Initially, some Western countries showed some enthusiasm. But this was not sustained and did not materialize into any concrete action. Many lost interest in doing their part for the welfare of the boat people. For those countries which made so much noise before, it was just a public relations exercise. The reality is that nothing has been done at all. As a result of their action, first asylum countries such as Malaysia and Thailand found themselves huddled with thousands of boat people.

This over a long period of time has put a strain on the countries' financial and human resources. This is because no third country is interested in accepting the Vietnamese boat people who for so long have been deprived of a decent livelihood.

For all their big talk about human rights, Western nations—with the exception of France—have shown the least interest in absorbing the refugees. Faced with this stark reality, there is little wonder why Malaysia decided on a cut-off date disallowing more boat people to land here. But this has not stopped. More are coming and it is difficult to ascertain whether they are economic or political refugees.

What developed nations should do is to help solve the problem at the source which is at Hanoi. Vietnam should be discouraged from polluting the region with its citizens. Their present [word indistinct] might work against the country's long term political and economic interest. Vietnam cannot claim its citizens are leaving without sufficient knowledge. This is an insult to the intelligence of the governments in the region.

Malaysia has been a victim of unjust criticism. But critics are not always fair. As such, it looks as if Malaysia will have to continue explaining the real situation for a long time to come.

Deputy Home Minister on Fight Against Drugs

BK2506104490 Kuala Lumpur NEW SUNDAY TIMES in English 24 June 90 p 6

[Text] Shah Alam, Sat.—The Acquired Immune Deficiency Syndrome (AIDS) among addicts is a new threat to society and poses another challenge in the battle against the dadah [drugs] menace, Deputy Home Minister Megat Junid Ayob said today [June 23].

Datuk Megat Junid said as 150 addicts in the rehabilitation centres had been found to have AIDS, there was an urgent need to establish special centres for such addicts.

"For a start, we would need a centre for at least 500 addicts," he said.

Datuk Megat Junid who is also the national Pemadam [National Anti-Drug Abuse Association] chairman was speaking at seminar on new approaches to fight the dadah menace, organized in conjunction with Pemadam's 15th general meeting here. Datuk Megat Junid appealed to State Governments to set aside land for such centres.

Speaking to reporters later, he said he would make a personnel appeal to Selangor Menteri Besar [Chief Minister] Tan Sri Haji Muhammad Haji Muhammad Taib for an eight-hectare piece of land for the special rehabilitation centre.

"Selangor is most suitable as it has or is near to medical facilities," he said.

The Deputy Home Minister said Pemadam could build the centre within six months of obtaining the land.

In his speech, Datuk Megat Junid lamented that the 18-year battle against the dadah menace had not reduced the problem, despite tougher laws against trafficking.

"This is sad as we succeeded in overcoming the communist threat within 12 years," he said. He said new approaches were therefore necessary to ensure success in the anti-dadah war. He added that although the 30 percent success rate in rehabilitating the addicts was one of the best in the world, Pemadam could not be satisfied but must strive for more than 50 percent.

Datuk Megat Junid also criticized the attitudes of some people, including parents and relatives of addicts, who were unwilling to accept rehabilitated addicts.

"It is everybody's task in the war against dadah. There is no racial, religious or political boundary," he said.

Datuk Megat Junid said Pemadam was forced to have many after-care centres to provide guidance to rehabilitated addicts because they were not accepted by society. He said after-care was most important as without it, rehabilitated addicts might return to their habits.

Currently, there are 38 such centres throughout the country and Pemadam hopes to have at least one centre in every district in the country. Currently, only Selangor and Negeri Sembilan have such centres in every district.

Cambodia

Foreign Ministry 'Condemns' U.S. Aid Decision

BK2906115090 Phnom Penh SPK in English
1114 GMT 29 Jun 90

[All quotation marks as received]

[Text] Phnom Penh SPK June 29—A spokesman of the Foreign Ministry of the State of Cambodia today condemned the decision of the U.S. Congress to provide financial aid to the two Khmer opposition groups allies to the Khmer Rouge Polpotists.

In a declaration released here today the spokesman said: "At the request of the U.S. Government, the U.S. Congress has decided to provide 7 million U.S. dollars as aid to the two Khmer opposition groups, close allies of the Khmer Rouge Polpotists, in a bid to shore them up in opposing the government of the State of Cambodia, the only force to prevent the return of the Pol Pot genocidal regime.

"By so doing, the U.S. Government runs counter to world public opinion, including that of senior U.S. officials and the American people who are strongly condemning the genocidal Pol Pot clique and their attempt to return to power in Cambodia.

This decision is totally against the development of the peace process on Cambodia, particularly after the Tokyo meeting, the spokesman stressed.

The Cambodian people, the spokesman affirmed, "welcome the efforts of international humanitarian and peace organizations, including the U.S. organizations which have actively campaigned for a change in the U.S. Government's policy towards Cambodia, especially those U.S. senators who have opposed the supply of this aid package to the Khmer opposition groups, which [as received] aid will finally end up in the hands of the Khmer Rouge Polpotists.

"The government of the State of Cambodia", the spokesman further said, "vehemently condemns this decision of the U.S. Congress considering it as a gross interference into the internal affairs of Cambodia and as a move against the aspiration for peace of the American people and humanity as the whole".

"The U.S. Government should bear full responsibility for all consequences that may arise from this erroneous decision" the spokesman warned.

Leadership, 'Successes' of Party Recognized

BK2906073390 Phnom Penh Domestic Service
in Cambodian 2300 GMT 27 Jun 90

[PRACHEACHON editorial: "All of Us Should Always Enhance the Leading Role and Heighten the Political Influence and Progressive Character of the Party"; date not given]

[Text] This year, the entire party, Armed Forces, and people are joyfully marking the 39th founding anniversary of the Kampuchean People's Revolutionary Party [KPRP] when the Cambodian motherland is making steady headway toward achieving many successes in every field under the clear-sighted leadership of the KPRP.

Since its creation, the Khmer People's Revolutionary Party—currently the KPRP—has continued to maintain the glorious tradition of struggle spearheaded by the Indochinese Communist Party, which was established and trained by President Ho Chi Minh. The party has continued to promote the cause of the nation, motherland, and people, and dared to make all kinds of sacrifices to win continuous victories over all manners of enemies with the aim of completely accomplishing the historic mission for the nation and motherland.

However, in the 1970's, the opportunist Pol Pot clique systematically sabotaged the KPRP inner circle and set up the most reactionary party, which murdered the people in cold blood and plunged the country into a pool of great danger full of blood and tears.

After its restoration in the wake of the 7 January 1979 victory, the KPRP continued to hold aloft the ideological banner of the genuine Marxist-Leninist party and achieved its glorious cause. In that stage, the party had to deal with the toughest situation in resolving hundreds of serious problems left over by the genocidal Pol Pot regime—such as famine, which severely threatened the people's lives, and the systematic destruction of all social structures. Moreover, the remnants of the Pol Pot clique forces as well as other reactionary Cambodian factions painstakingly conducted activities to kill the people and wreak havoc on everything.

Facing this situation, the party put forth a number of policies to promote activities in compliance with the concrete conditions of the country. In the very first year, the party successfully overcame the starvation issue. Then it continued to gradually restore the national economy.

Over the past 11 years, the party has at all times given priority to and focused its attention on the people's interest. It has done its utmost to ensure that the people are better off, have enough food, proper clothing, and can live happily with their families.

Along with the well-defined strategic policies, the party has also continued to map out realistic tactics and plans of action in accordance with each specific situation. In recent years, based on the development of the country and in response to the people's sacred aspirations and wishes, the party has amended the Constitution, rectified a number of provisions, and put forth policies toward peasants, land ownership, and so on, aimed at serving well the economic policy liberalization at this new stage. All the party policies have been zealously welcomed, supported, and implemented by the masses and people and have continue to achieve successes.

Moreover, the party has also put forth the clemency policy toward misled persons who have been led astray by enemy gambits in order to prevent unfortunate families from being separated. The party has also put forth a national reconciliation policy and intensified diplomatic struggle to settle the Cambodia problem though a political solution in order to curtail the Cambodian people's suffering caused by the reactionary Cambodian groups through the protracted and destructive war. Past diplomatic successes, in particular the positive result of the bilateral talks between Comrade Chairman Hun Sen and Samdech Sihanouk in Tokyo in early June, are clear evidence of the firm, correct, and just stance of the policies and the goodwill of our party in the search for a genuine peace for the Cambodian people.

To date, despite all manners of difficulties in the military, economic, and diplomatic fields, and the radical changes within the communist parties of the socialist countries, which adversely affect us, the KPRP continues to lead the country, steadfastly stepping forward along the designated path. The prestige of the party continues to rise both inside the country and in the international arena. These are the fruits of the clear-sighted leadership of our party, which has clearly and correctly defined the strategic objectives with various concrete tactics in conformity with each specific stage, in particular with the actual situation of the country and the true interests of the people.

Along with this, our party continues to maintain perfectly its inner unity based on Marxist-Leninist ideology; implement the principle of democratic centralism; bind together the people's interests; and enhance national and international solidarity.

Over the past 11 years, a great many party members at hundreds of our party chapters established throughout the country have served as models in carrying out all kinds of tasks to keep the people together. The party members have become leading focal points of unity among the people and have actively transformed party policies into reality everywhere in the motherland.

With this commemoration of the party founding anniversary, all of us should recall all the great deeds achieved by the party and be determined to continue upholding our solidarity around the party and cooperating with the party in carrying out our vigorous struggle to successfully achieve the goals defined by the party.

Every cadre and party member, in particular leading party members and cadres, should uphold their revolutionary virtues and work capacities so as to enhance the leading role of the party; heighten the party's political influence and progressive character; firmly maintain solidarity and unity within the party, primarily within the party committees from top to bottom; and constantly and solidly preserve the relations between the party and people in all aspects to promote democracy within the party efficiently.

At this point in time, criticism and self-criticism should be properly implemented according to the spirit of the resolutions adopted by the 10th congress of the party Central Committee and factual guidelines issued by the Central Organization Commission. People should review all their activities in the past and be resolved jointly, definitively, and timely to do away with passive phenomena—such as corruption, embezzlement, graft, nepotism, law violations, and abuse of people's rights—which cause rifts, diminish popular confidence in the party and the new regime, and harm the revolutionary movement.

The party committees at all levels should continue to pay attention to educating our cadres, party members, Armed Forces, and entire people so that they deeply understand all the decisions made by the party; clearly know their duties in this new stage; and unquestionably realize the situation and significant tasks to carry out in 1990. In view of this, national prestige and a high sense of responsibility should be heightened for the benefit of the nation, motherland, and people. The spirit of mastery and self-reliance should be upheld, and forces should be pooled to overcome all manner of difficulties and shortcomings and strive to bring success to all political tasks in accordance with the lines defined by the Fifth Congress, the Second National Congress of Cadres, and the Ninth and 10th Congresses of the party Central Committee with a view to continue the advances made by our motherland toward ultimate success.

Military Situation, Tokyo Accord Assessed

BK2906025590 Bangkok BANGKOK POST in English 29 Jun 90 p 2

[Article by Jacques Bekaert under the rubric "Cambodian Diary," entitled: "Can the CPAF Fight Back?"]

[Text] "Every soldier must know clearly who is his friend and who is his foe and he must dare to fight the enemies to defend the interests and lives of the people." Familiar words indeed, for anyone who has been following the short and already dramatic history of the Cambodian People's Armed Forces (CPAF). Such statements have been made, again and again, as obviously the young Cambodian army keeps having problems distinguishing between friend and foe. The words quoted above come from a very recent speech by National Assembly and Politburo member Chea Sim to the troops of the newly formed 7th Division.

The occasion was unusual. The speech was delivered at the military school of Longvet, in Kompong Tralach district of Kompong Chhnang province. On June 23, a "friendship alliance agreement among the Cabinet of the National Assembly, the Cabinet of the Council of Ministers and the Cabinet of the Kampuchean United Front for National Construction and Defence and the 7th Division," was signed in the presence of Chea Sim. It is a rather strange agreement, and it probably means precious little in military terms, nor will it improve the fighting spirit of the CPAF much. But such is the military situation today in Cambodia that the government and the ruling party, the People's Revolutionary Party of Kampuchea (PRPK), have to think of every possible way to motivate an army that keeps suffering dangerous setbacks.

A series of major provincial towns is now under very direct threat from the Resistance, especially from the National Army of Democratic Kampuchea (NADK—the Khmer Rouge). Some Vietnamese forces were sent last November to reinforce the protection of Battambang; that city and its airport have been shelled once again, a few weeks ago, although details are still very sketchy. The capital of Preah Vihear province, Choam Khsan could, according to a resistance source, fall at any time (to the NADK). Kompong Thom was indeed occupied for a few hours on June 17 by a mixed force comprising NADK, KPNLF [Khmer People's National Liberation Front] and Sihanoukists. Government units managed to retake Kompong Thom but, according to ASEAN intelligence sources, the Resistance still surrounds the town.

The situation in Kompong Speu is worse than it has ever been, with the Khmer Rouge in control of several districts. In the past two months the NADK has also made significant progress in Kompong Chhnang, in Kampot, in Takeo. There are now refugee camps inside Cambodia, in Kompong Speu, in Kompong Chhnang. It is unclear if these civilians spontaneously left areas controlled by the Khmer Rouge or were obliged by government troops to regroup in camps where they escape the Khmer Rouge influence.

Reports on the subject are contradictory. These refugee camps are little more than bare fields with less than minimal facilities. Refugees are bad for the local population's morale and things could get worse once—and if—large groups of refugees arrive in Phnom Penh.

Highway 6, between Siem Reap and Kompong Thom, is practically under Resistance control and Siem Reap itself could be the next target, although the Khmer Rouge, aware of the negative political consequences of their occupation of any city, will probably refrain from doing more than having "the countryside surrounding the cities," as Mao used to advise.

But reliable Western military sources say that the Khmer Rouge are "all over the place," near Siem Reap and Angkor. A few weeks ago the NADK claimed it had occupied the district of Roluos, about 20 km from Siem Reap, where some of the most beautiful examples of pre-Angkor temples are located.

While the Sihanoukist presence in Kompong Thom is important (from 600 to 1,500 men, depending on who you talk to), it is obvious that mostly the NADK is on the offensive and increasingly threatening the survival of the Phnom Penh regime. Of course a ceasefire agreement was signed in Tokyo between Prince Sihanouk and Mr Hun Sen. But at best it will not be implemented before the setting up of the Supreme National Council at the end of July.

Since there will be no monitoring of the ceasefire, it is very doubtful anyone is going to pay much attention to the Tokyo agreement. Sihanoukist troops have been told by Prince Sihanouk to respect the coming ceasefire. The NADK is not bound by any agreement.

"We firmly believe that the three reactionary Khmer groups would not join any talks," said Mr Chea Sim to the men of the 7th Division. The Khmer Rouge do not want a solution, he insisted, and "it is difficult for the Khmer opposition to come up with any political solution to the Cambodian problem without the approval of the Khmer Rouge." Indeed. And Chea Sim urged the CPAF to "heighten its fighting determination against the enemies" because they will "continue to attack us with or without an agreement."

The question is: Can the CPAF fight back and prevent a Khmer Rouge military victory? Most military experts are sceptical because, they explain, the CPAF faces two serious internal problems which remain unsolved: the quality and dedication of its leadership and the lack of time to properly train soldiers and officers.

Another question has appeared: For how long will the Soviet Union sustain Phnom Penh's war effort? During a recent security conference in the Malaysian capital of

Kuala Lumpur, a representative of the USSR Ministry of Defence explained that certain agreements have been signed with Phnom Penh in the past and that although "we might not have the same point of view about these agreements," they will at least be fulfilled. A large shipment of Soviet weapons was unloaded recently in Kompong Som, several resistance and military sources say. But, wondered one ASEAN source, "could it be the last one?"

How much damage did the Cambodian government and ruling party suffer from the recent "coup" attempt which Radio Phnom Penh claims took place at the end of May, involving "inactive and idle persons and hooligans" with the alleged complicity of some mysterious "foreign espionage circles"? It is still very unclear who was trying to do what. Was it, as Khmer Rouge Radio recently said, a coup by the Chea Sim faction against the Hun Sen group? Indeed, some of the people arrested or dismissed were close to the prime minister. But not all of them. And Mr Chea Sim, who seems to enjoy growing popularity—he is perceived as a simple man, concerned by the plight of the poor and not tainted by corruption—has certainly not been out of the public view.

Ms Men Sam-an, the only woman member of the Politburo, whose husband—a military man—was allegedly one of the "hooligans" arrested in May, lost her party position but has been appointed head of the Federation of the Trade Union. She is known to be close to Mr Chea Sim.

As for chances of the Tokyo agreement being implemented and leading to peace, they are slim at best. There will certainly be no Paris Conference on Cambodia this summer, a senior official French source said, nor will the four Khmer factions meet with the Permanent Five in Paris next month.

The Chinese have told Prince Sihanouk they do not recognise the Tokyo agreement since it failed to include the Khmer Rouge. Beijing also told the prince it will refuse to see the UN Cambodian seat go to the Supreme National Council. Even Hanoi does not believe that the seat could be taken away this year from the Cambodian Coalition.

A ceasefire may not be in the interests of all Khmer factions, it will *only* benefit the huge majority of the people of Cambodia. Locked into a bitter struggle that has lost most of its ideological meaning, the four factions probably do not care much about the majority of the people. To be fair it should be said that the majority of the Cambodian people probably care very little about the factions.

Curfew Reportedly Imposed in Siem Reap Town

BK2906035290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 28 Jun 90

[Excerpt] In the wake of the 17 June attack unleashed by our national resistance forces and people against Kompong Thom town, as well as the 24 June liberation of Sre Noy and Chhke Kon positions in the north of Siem Reap town, the Vietnamese enemy aggressors and the traitors of the Vietnamese lackey puppet Hun Sen-Heng Samrin regime in the provincial city are becoming anxious because the fighting against the city launched by the national resistance forces and people is coming closer and the liberation of the town is imminent.

In view of this, the Vietnamese enemy aggressors have ordered their traitorous puppets and lackeys to nervously declare a state of emergency and rigorously impose a curfew from 1800 to 0600 in Siem Reap town. Anyone caught breaking this dusk-to-dawn restriction will be summarily executed. [passage omitted]

Positions at Sre Noy, Chhke Kon 'Liberated'

BK2706002090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 26 Jun 90

[Text] On the morning of 24 June, we completely liberated the positions of the Vietnamese enemies' 41st and 43d Regiments at Sre Noy and Chhke Kon.

1. Seizure: We seized two 105-mm howitzers, a 76.5-mm gun, four 82-mm mortars, five 12.7-mm machine guns, five 60-mm mortars, 70 AK's, five RPD machine guns, 10 B-40 rocket launchers, 10 B-41 rocket launchers, nine sets of radio-communication ICOM's, three Soviet-made field radios, five telephones, 2,000 sacks of rice, 1,000 packs of instant rice, 100 cases of canned fish, 300 sacks of salt, some medicine, 200 billies, 1,000 liters of fuel, 300 shells for 105-mm cannons, 1,000 cases of ammunition for AK rifles, 100 cases of shells for 80-mm and 82-mm mortars, 200 rounds for 76.5-mm guns, and 50 cases of ammunition for [illegible].7-mm machine guns.
2. Liberation: We completely liberated the positions in Sre Noy commune and the following three villages: Sre Noy Chas, Sre Noy Thmei, and Sre Po; and we totally occupied the stretch of road between Sre Noy and Ream.
3. Destruction: We completely destroyed the command posts of the 41st and 43d Regiments and the command posts of the 4th Military Regional at Sre Noy and Chhke Kon. We put six enemy regiments out of action, and killed 15 and wounded many enemy soldiers. We destroyed a great many assorted weapons and a significant quantity of war materiel.

Laos

Deputy Foreign Minister Speaks at Drug Seminar

BK2606115590 Vientiane KPL in English 0910 GMT 26 Jun 90

[Text] Vientiane, June 26 (KPL)—Following an anti-narcotics workshop jointly organized in Vientiane by the

Lao and U.S. Governments, Mr. Souban Salitthilat, deputy foreign minister of Laos gave an interview to the Lao national radio.

Mr. Souban Salitthilat told reporters of the French lauguage service of the Lao radio that the narcotics problem is a complex and dangerous one, which is a matter of concern for all nations, specially the most industrialised ones as they are the biggest consumers. He mentioned the countless drug-related crimes which affect all sectors of society in those countries.

In face of this threat, as a follow up to the existing 1961 convention on illegal drugs, the United Nations has launched general appeals to the world peoples, to pool their efforts to combat the danger of drugs. As an answer to these appeals, a special session of the UN General Assembly which took place last February and in which a delegation of the LPDR [Lao People's Democratic Republic] took part, adopted a declaration recommending that the 1990s be declared the decade of anti-narcotics struggle.

As a signatory to the convention and to other international agreements and declarations, Laos, since 1987 has cooperated with (?Finland) in a project of crop substitution in the Province of Vientiane, and later with the United States in a project in Houa Phan Province after the signing of a memorandum of understanding between the Lao and U.S. Governments. The recent seminar, run by the [U.S] DEA [Drug Enforcement Administration] in Vientiane, Mr. Souban said, was a follow up to all those actions of the Lao Government.

Mr. Souban said the aim of this seminar, which was jointly organized by the Lao and U.S. Governments was to create a sense of awareness in the Lao public on the drug problem and to familiarize the participants with the basics of anti-narcotics activities within the framework of the country's laws and the international legislation.

Mr. Souban said determination was not enough, important means were also needed. He stressed that the important element which emerged from the seminar was the determination of the Government [of] the LPDR to implement its international commitments and cooperate within its material and human possibilities with all countries and international organisations interested in rural development in Laos.

Mr. Souban praised the good cooperation between American instructors and the Lao participants.

The anti-narcotics seminar was held at Lan Xang hotel on June 4-15.

Article 39 of Lecture on Draft Constitution

BK2706122390 Vientiane Domestic Service in Lao 0030 GMT 19 Jun 90

[Radio lecture on draft constitution given on 19 June by Chaleun Yiapaoheu, alternate member of the Lao People's Revolutionary Party Central Committee, standing member of the Supreme People's Assembly, and standing member of the Constitution Drafting Committee—recorded]

[Excerpt] [passage omitted] Now, I would like to present Article 39 in Chapter 4 on the Supreme People's Assembly [SPA]. Article 39 stipulates as follows: The chairman of the SPA Standing Committee is chairman of the SPA, who is charged with directing and supervising all sessions of the SPA and representing the SPA in carrying out duties on promoting internal and foreign relations.

This article defines the position, roles, responsibilities, rights, and duties of the SPA chairman. It is clearly stipulated in this article that the chairman of the SPA Standing Committee is the chairman of the SPA, who is in charge of, first, directing and supervising all SPA sessions, and second, representing the SPA in carrying out foreign relations activities and activities dealing with domestic affairs. Domestically, the SPA chairman is to carry out activities in relationship with the Party Central Committee and the government. It is the duty of the SPA chairman to contact directly the party Central Committee and the government in administering domestic affairs. In domestic matters, the chairman can issue decrees, resolutions, or instructions on behalf of the SPA. All these are the roles and responsibilities of the SPA chairman. [passage omitted]

Articles 43-45 of Lecture on Draft Constitution

BK2806143790 Vientiane Domestic Service in Lao 0030 GMT 20 Jun 90

[Radio lecture on draft constitution given on 20 June by Chaleun Yiapaoheu, alternate member of the Lao People's Revolutionary Party Central Committee, standing member of the Supreme People's Assembly, and standing member of the Constitution Drafting Committee—recorded]

[Summary] "Today, I would like to discuss Chapter 5 of the draft constitution. This chapter deals with the president of state. It comprises two articles, Article 43 and Article 44. Article 43 stipulates as follows: The president of state who is elected by the Supreme People's Assembly [SPA] is the head of state of the Lao People's Democratic Republic [LPDR] and the representative of the multiethnic Lao people both at home and abroad.

"This article basically defines the comprehensive roles and responsibilities of the president of state. It is clearly stipulated here that the president of state is the head of state of the LPDR and is the representative of the multiethnic Lao people, both at home and abroad. These are the comprehensive roles and responsibilities of the president of state who represents the entire Lao people. However, the president of state is elected by the SPA."

As for Article 44, it defines the tenure of the president of state, saying that the tenure of the president of state is equal to the tenure of the SPA. This article also defines the rights and duties of the president of state.

"Next is Chapter 6 which deals with the Council of Ministers. This chapter is also significant. Article 45 in this chapter stipulates as follows: The Council of Ministers is the government of the LPDR. They are the highest working and administrative organization of the highest organ of state power. The chairman of the Council of Ministers is elected by the SPA. The Council of Ministers manages in a unified manner the execution of the duties of state in the political, economic, cultural, social, national defense, and public security maintenance fields and external affairs. The Council of Ministers is responsible for and reports their activities to the SPA. During the interval of the two sessions of the SPA, they must report their activities to the SPA Standing Committee. The tenure of the Council of Ministers is equal to the tenure of the SPA. The Council of Ministers is composed of chairman of the Council of Ministers, vice chairmen of the Council of Ministers, ministers, and chairmen of state committees."

Article 45 defines the roles, responsibilities, and structure of the Council of Ministers. There are three points in this article. First, the Council of Ministers is the government of the LPDR; second, it is the working organization of the SPA; and third, it is the highest executive organization of the supreme state power organ. "The reason it is stipulated in this article that the Council of Ministers is the working organization of the SPA is that the Council of Ministers is elected or established by the SPA and that it is under the control and supervision of the SPA."

On the other hand, it is the duty of the Council of Ministers to implement resolutions issued by the SPA. This is the first role and responsibility of the Council of Ministers. The second basic role and responsibility of the Council of Ministers is to administer state affairs in all fields. This is why the Council of Ministers is called the highest executive organization of the state. The Council of Ministers is also in charge of contacting foreign countries on behalf of the government of the LPDR. They, therefore, have the duty of regularly reporting their activities to the SPA. During the interval of the SPA sessions, they are to report their activities to the SPA Standing Committee as the Standing Committee is the representative of the SPA and is in charge of executing the affairs in all fields for the SPA.

"This article also defines the structure and tenure of the Council of Ministers. It is clearly stipulated in this regard that the tenure of the Council of Ministers is equal to the tenure of the SPA, meaning five years. As for the structure of the Council of Ministers, it is composed of:

"1. Chairman of the Council of Ministers.

"2. Vice chairmen of the Council of Ministers. The number of vice chairmen can be more or less, depending on the requirements in each period. It is the chairman of the Council of Ministers who will decide on the number and who will then submit the proposal to the SPA for consideration and approval.

"3. Ministers and chairmen of state committees."

Ministers here mean ministers of various ministries, such as ministry of foreign affairs, ministry of interior, ministry of economy, planning, and finance, and so forth. Chairmen of the state committees here mean chairmen of various state committees, such as the State Bank Committee. All these are members of the Council of Ministers.

Philippines

Japanese Volunteers Take Extra Precautions

OW2706153190 Tokyo KYODO in English 0824 GMT 27 Jun 90

[Text] Manila, June 27 KYODO—Japanese volunteers working in rural areas of the Philippines are taking extra precautions although communist rebels have not yet threatened them, an official of the Japan International Cooperation Agency (JICA) said Wednesday.

JICA official Moriya Miyamoto described as "very serious" the U.S. Government's decision to recall all Peace Corps volunteers to Manila because of alleged plans by the communist New People's Army (NPA) to attack them. "We will wait and see. But if we get the same threats as the U.S. volunteers did, of course, we will consider pulling out. I hope it will not happen," Miyamoto said in an interview.

Philippine Press Secretary Tomas Gomez said the U.S. move was an "act of prudence." He said that if U.S. intelligence sources perceive there may be danger, then it's natural that they would want to get out.

Miyamoto said there are 67 Japan Overseas Cooperation Volunteers (JOCV), mostly technicians, working in remote areas throughout the Philippines. The JOCV is the Japanese counterpart of the U.S. Peace Corps. Miyamoto said JOCV is preparing to send another circular to the Japanese volunteers asking them to be "extra careful."

Miyamoto, however, expressed concern over the May 29 kidnapping by communist rebels of a Japanese employee of a private aid group funding agricultural projects in Negros Occidental Province. The rebels continue to hold Fumio Mizuno, 36, training director of the Japan-based Organization for Industrial, Spiritual, and Cultural Advancement (OISCA). Talks for his release have not started.

He said that if the same thing happens to a JICA volunteer, it will "really affect" the Japanese aid program for the Philippines. A review of the program will likely by made, Miyamoto said. Tokyo is Manila's biggest foreign donor country, with assistance totaling at least 1 billion dollars last year.

Earlier in Washington, Peace Corps Director Paul Coverdell said in a statement that the pullout of 261 volunteers was "only a precautionary measure." "The safety and security of our volunteers is always our number one concern... I wish to assure relatives and friends of the volunteers that (they) are safe," he said.

The recall of U.S. Peace Corps volunteers to the capital came a week after the military announced a rebel plan to kidnap and murder foreign nationals, including Americans, over the next six months. The plan was discovered following the capture of 10 members of the Alex Boncayao Brigade, the rebel unit operating in Manila, last week. NPA Chief Romulo Kintanar has warned U.S. and Japanese nationals allegedly involved in the military's antirebel drive that they would be targets.

At least eight American nationals, including six servicemen, have been killed by the rebels in the past three years.

The U.S. Embassy in Manila has warned its 120,000 nationals to take precautions in the face of possible rebel violence before talks on the fate of the U.S. military bases resume in August.

No Evacuation Planned

HK2906085390 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 29 Jun 90

[By Rey Arquiza from the Department of Foreign Affairs]

[Text] Even though the NPA [New People's Army] have also issued threats against Japanese nationals working in the country as consultants in joint Philippines-Japan projects, the Japanese Embassy at Makati announced today that it has no plans to emulate the U.S. Government and evacuate its nationals from the country. Japanese Embassy spokesman Seichi Kondo said that his government does not intend to recall its 200 nationals working as consultants in rural projects in the country in spite of a threat from the New People's Army.

Kondo added that they have, however, advised their nationals to be careful and to abide by security guidelines issued by the Japanese Embassy. Japanese nationals will continue to work for the completion of Japanese-funded projects in the country.

Meanwhile, the U.S. Embassy announced that 90 Peace Corps members are slated to leave for Hawaii this afternoon following the suspension of the Peace Corps program in the Philippines by the State Department due to alleged threats from the New People's Army.

New Phase of Foreign Relations Involves Trade

HK2706025990 Manila BUSINESS STAR in English 27 Jun 90 p 14

[By Florentino B. Pamintuan]

[Text] The Philippines is entering a new phase in foreign relations as it embarks on a policy merging diplomacy with international commerce in an effort to capture much needed market for its exports. This will be the new approach Foreign Affairs Secretary Raul Manglapus will employ in dealing with his counterparts in Eastern Europe in the coming days. He leaves today with several Filipino businessmen and exporters for a seven-day economic mission to three former socialist countries. The mission will meet with key trade and economic officials of Poland, Hungary and Czechoslovakia to promote trade between them and the Philippines.

Manglapus has drawn up a combined diplomatic and foreign trade development program to expand the Philippines' foreign relations through stronger economic ties with the country's major trading partners like the United States and the world's emerging markets in Eastern Europe. Such two-pronged foreign policy, he said, will need greater participation of the private sector. For the first mission to Eastern Europe, he invited the Chamber of International Trade (CIT), a group composed of more than 100 Filipino businessmen and diplomatic officials.

CIT President Ceferino L. Benedicto told THE BUSINESS STAR that the democratic changes in Easter Europe, which included adoption of a free market economy, open a lot of opportunities to Filipino businessmen and exporters. He and two other offices of the chamber are part of the Philippine delegation to Eastern Europe. Eastern European countries including Poland, Hungary, Czechoslovakia, Bulgaria, Romania and East Germany have a population of at least 100 million, a potential market for Philippine non-traditional exports.

Benedicto said the mission would promote the country's top exports like garments, frozen prawns and tropical fruits, and explore possible areas for investments for small- and medium-sized ventures.

The Eastern European market remains largely untapped. Philippine exports to the six socialist countries only amount to $28 million yearly with imports amounting to $46.3 million, an $18.3 million trade balance favoring Eastern Europe. Moreover, Philippine-made garments are mainly exported to quota markets like the U.S. and Western European countries. On the other hand, prawns are largely exported to Japan.

Benedicto said the CIT members last joined a trade mission to Eastern Europe in 1968 or 12 years ago. "That has been a long time and a lot of things have changed there toward the 1990s." During this period, he said, Philippine exports to Eastern Europe have not improved mainly because socialist states had regulated economies that were not conducive to doing profitable business enjoyed by capitalists in free market economies. With the trade reforms now being instituted in these countries, Filipino businessmen who are used to the Western way of doing business, can now explore new markets and possible investments, Benedicto said.

Rafael Gonzales, the country's representative to three Eastern European countries including Poland, Czechoslovakia and East Germany, advised local businessmen to take advantage of many trade and investment opportunities in Eastern Europe. He said these countries have begun making their markets more conducive to private enterprise. If the Philippines could increase its exports to these non-traditional markets, he said, its ballooning trade deficit would be substantially eased.

Multilateral financial institutions like the International Monetary Fund and the World Bank along with Western European countries have been drawing up loan packages and grants for the economic restructuring of Eastern Europe.

Ramos Urges Stronger Regional Defense System

HK2906041990 Manila MANILA BULLETIN in English 29 Jun 90 pp 1, 12

[By Aris R. Ilagan]

[Text] Defense Secretary Fidel V. Ramos stressed yesterday the need for a stronger defense system for the Asia-Pacific region although "waves of democracy" have already swept many parts of the world, particularly in Eastern Europe, resulting in the easing of world tension and arms reduction agreements between the United States and the Soviet Union.

"These worldwide developments should not lead to a false sense of complacency as any permanent effects of 'perestroika' and 'glasnost' still remain to be seen," Ramos said in his speech at the opening of the four-day Defense and Ammunition Fair at Philcite on Roxas Blvd., Manila. "Signs of lessened global conflict do not mean less vigilance, especially in the Asia-Pacific region, because these developments have opened new dimensions in global and regional security," he added.

The Department of the National Defense (DND) and the Armed Forces of the Philippines (AFP) have been pursuing the Self-Reliant Defense Posture (SRDP) program for the manufacture of the military equipment utilizing local labor and materials. The SRDP mostly relies on technology transfer from other nations.

Some 60 industrial firms, both local and foreign, manufacturing military equipment such as armaments and ammunition, tactical communications equipment, land vehicles and small craft under the SRDP are participating in the fair.

Analyst on Rising Tension Over Kabisig Movement

HK2906042390 Manila THE MANILA CHRONICLE in English 29 Jun 90 pp 1, 7

["Analysis" column by Amando Doronila: "Tensions rise between two main forces"]

[Text] A full-blown war has erupted between President Aquino and the leadership of the House of Representatives over the Kabisig [Partership] movement and the hostilities are no longer the normal tensions between the executive and the legislative departments in the system of checks and balances.

In the best of times, there has always been a moderate level of adversarial relationship between these two centers of political power and political scientists in the liberal tradition consider these "creative tensions" as a healthy condition for the democratic process. But the vehemence and bitterness with which members of Congress—including the President's brother, Rep. Jose Cojuangco of Tarlac—reacted to the launching of Kabisig indicate that the movement has raised a serious threat to the balance of power between the President and Congress.

It is too early to tell whether Kabisig is headed for a bust or is going to cause an upheaval that would shatter the foundations of traditional politics. But it is already clear that the movement has caused panic among Speaker Ramon Mitra, the majority party—the Partido Demokratikong Pilipino (PDP) [Filipino Democratic Party]—and most members of Congress. It is also clear that Kabisig has intensified the conflict between the executive and the legislative, and there is the danger that its fallout could damage the fragile edifice of the democratic institutions restored by the Aquino Government.

The panic may be accounted for by the perception among members of Congress that if Kabisig catches fire as a movement that can link the presidency to the grassroots, Congress would thereby become functionally redundant and as useful as a bullcart in a modern metropolis as a mediator between the national government and the electorate in the distribution of basic services. They sense a possible deprivation of power and such a perception can easily provoke a desperate struggle that one associates with a wounded beast fighting for life in a bullfight.

One can understand the bitterness of Speaker Mitra and the LDP [Struggle of Philippine Democrats], who now believe that they have been betrayed and dumped by the President after they were used. But an acquaintance with history may assuage their feelings.

Historically, the conflict between the presidency and the legislature, especially when the government has a majority in Congress, has been fought between Malacanang and the ruling party, not between the palace and the Opposition. This is partly explained by the structure of the party system. The LDP is no different from the Liberal Party or the Nacionalista Party of the pre-martial law period in the sense that they are parties forged by political convenience. They are not cemented by ideological principles, a political philosophy or a set of coherent social policy or programs. During the pre-martial law days, especially when the formal Opposition party's representation in Congress was small, the President encountered opposition to his legislative program from members of his own party.

Because access to patronage was essentially the element that made the party coherent, it was easy for a pragmatic president to construct alliances whose members cut across the party lines. The LDP is a reproduction of the traditional party structure. It is a collection of pro-Aquino supporters and Marcos loyalists who have switched allegiance because of the opportunities it offers to avail of political patronage which is the basis of political survival of members of Congress.

As such, any political movement—such as Kabisig—that seeks to facilitate the delivery of services to the grassroots outside the channels dominated by members of Congress is likely to provoke the fiercest reaction from congressmen. Since Kabisig, at this stage of its development, has not yet achieved any ideological coherence and aims immediately at the speedy delivery of services to the people, it in effect will serve as a vehicle for the distribution of state-sponsored patronage.

As a patronage distribution mechanism, Kabisig is no different from the patronage delivery machine that is the LDP. It is going to perform the function being done by the LDP, and since the state is channelling significant resources outside of the conduits of the LDP and members of Congress to the provincial governments, the cooperatives and the non-governmental organizations, these alternative vehicles can marginalize and make the traditional party machine redundant as networks for patronage distribution. By removing or reducing the patronage functions of the congressmen and the LDP, Kabisig is an attack on the heart—i.e., patronage—of the party system itself.

The opposition parties (in particular, the Marcos loyalist-based parties such as the KBL [New Society Movement]) and the other parties which are nominally friendly to the Aquino Government (the Liberal Party and the PDP-Laban [Nation's Strength]) have stayed outside the conflict between the LDP and the President. It is to their interests that they wait for developments over Kabisig. They need not lift a finger.

If the LDP destroys itself after it has been abandoned by its nominal leader, the President, it shall have delivered its corpse to the other parties for appropriate burial and the system of patronage which sustains it.

Aquino Launches Negros Agro-Industrial Project

HK2906043990 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 29 Jun 90

[Text] President Corazon Aquino today launched the Panay-Negros Agro-Industrial Special Demonstration project, one of the projects funded by the Philippine Assistance Program. The president also headed the launching of the $25 million Negros-Panay power interconnection project, which is expected to enhance the power generation capability of the Palingpinon geothermal power plant. Part of the president's mission was the launching of Kabisig sa Karagatan [Partnership program on sea project] at the Department of Agriculture, and it will distribute 60 million pesos livelihood assistance fund to various nongovernmental organizations.

Meanwhile, the president approved the release of 5 million pesos for the rehabilitation of infrastructure projects destroyed by an earthquake in Kulasi, Antique. At the same time, she appealed for cooperation among all Filipinos to assist in the implementation of these projects:

[Begin Aquino recording in English] I have also informed our Antique leaders that I have authorized the release of 4.6 million pesos for the construction of 20 additional schoolhouses for the province. This will also be undertaken the Kabisig [Partnership] way, with the Hudlang Evello and the Antique Federation of Cooperatives-Credit Union.

Our government will also be undertaking the following for Antique: The breakwater project for the San Jose course; the improvement of the runway of the San Jose Airport; the launching of the Kabisig sa Karagatan; and the completion of the Tuluan Bridge which will provide Antique with access to this agro-industrial center in Pavia.

We were also originally scheduled to launch the Antique integrated area development program. We are undertaking this program with a lot of support from the private sector, and among our most important participant here is the government of the Netherlands. [end recording]

1990-91 Fiscal Program To Reflect Slower Growth

HK2706115390 Manila THE MANILA CHRONICLE in English 26 Jun 90 p 11

[By staffmember Arleen Chipongian]

[Text] The government has started revising its fiscal program for 1990 and 1991 to reflect the expected slowdown in economic activity.

This year, the expected budget deficit of the national government is being revised upward to P [Pesos] 20.5 billion by yearend from an original estimate of P13.8 billion due to an unexpected rise in expenditures. Revised estimates of the 1990 fiscal program as of June 19 showed that revenues this year will reach P191.4 billion, or higher than the earlier target of P186.2 billion. However, expenditures will increase to P211.9 billion from an original target of P200 billion.

The departments of Finance and of Budget and Management are preparing the 1991 fiscal program where revenues are expected to drop slightly to P221 billion from the earlier target of P225.4 billion while expenditures will remain at the original estimate of P233 billion. But official sources pointed out that the 1990-1991 fiscal programs still carry "working numbers" as the definite figures will still be dependent on a number of factors, notably the possible legislation of a number of tax measures as part of the comprehensive tax reform package approved by President Aquino and the Cabinet.

At the same time, the final fiscal programs for 1990-91 will still have to be discussed by Philippine economic officials and the visiting mission from the International Monetary Fund headed by Ulrich Baumgartner. Earlier, Finance Secretary Jesus P. Estanislao said formal top-level talks with the mission on the performance of the Philippine economy will touch on possible downscaling of growth projections from the average rate of 6.5% under the Memorandum on Economic Policy (MEP) drawn up in 1989.

Government has estimated the growth rate this year to slow down to 4.5%-5% due to the effects of the power crisis and the prolonged drought. Official sources said that the downward adjustment in growth projections will reflect on the fiscal programs of the national government.

For instance, the fiscal programs for 1990-91 will carry separately the proposed transfer of liabilities of the Central Bank [CB] to the national government totalling P34 billion from 1990-92. The same sources said that budgetary support for the CB rehabilitation program has not been included in the fiscal programs for 1990-91 as this will have to be approved by Congress. If the CB reform program pushes through this year, the budgetary cash deficit of the national government will further go up to P25.6 billion since the amount of CB "bad accounts" to be transferred to the national government in the first year of the three year program will reach P5.1 billion.

This year, the government had additional spending on priority projects. These include the P2 billion rice action program; P1.3 billion benefits for veterans of the second World War and P680 million for teachers' allowances. Yet the biggest additional expenditure of government is P6 billion for the rise in interest payments for domestic loans, mostly for the issuance of the high yielding Treasury bills.

Jan-May Investments Noted at 43 Billion Pesos

HK2706120390 Manila THE MANILA CHRONICLE in English 26 Jun 90 pp 11, 15

[Text] Investments in the first five months this year increased over a comparable period last year but grew at a markedly slower pace, the Department of Trade and Industry [DTI] reported yesterday.

DTI undersecretary Lilia R. Bautista said investments from January to May 1990 reached P [Peso] 43.3 billion, P3.1 billion more than the P39.5 billion level in 1989. The increase, however, represented a growth of only 8.8% while investments in first five months of 1989 grew 261.8% over 1988. Bautista attributed the slower growth to a lag in infrastructure development and the continuing power supply shortage.

DTI Secretary Jose S. Concepcion Jr., who is in the United States for a 10-day trade and investment promotion mission, had earlier attributed the slowdown to a series of controversies, namely, the so-called "petro-scam," the NDC [National Development Corporation] Marubeni industrial estate controversay and the current investigations into his divestment of interests in his family's business.

Bautista said she expects the infrastructure projects to gain momentum and catch up in the second half of the year. She downplayed the effect of the failed December coup d'etat and recurring coup rumors, saying these probably had minimal effects on investments.

A total of 1,140 projects worth a combined P43.293 billion were approved by the BOI [Board of Investments] within the period covered. Around half of the amount, or P22.6 billion, were in the manufacturing sector, P6 billion of which went into textile and textile products manufacturing, the country's top dollar-earning sector.

The National Capital Region [NCR] continued to attract the most number of projects and the greater amount of investments with a total of 358 projects worth P14 billion, representing 38.5% of total investments. The Southern Tagalog Region followed NCR with P11.77 billion, then Region 1 with P8.3 billion and Cebu with P411 million. The least amount of investments were made in Region 8, with 211 projects worth P5 million being located in Samar Island, the country's most depressed area and hotbed of unrest.

Bautista said equity investments recorded an 18.7% increase to P23.2 billion, representing a slowdown from the previous year's 184% gain. A significant 45% of equity investments in the period, however, were made by local investors compared to the normal ratio of 30% local versus 70% foreign equity investments.

Among the biggest projects were those of the copper concentrates project of Far Southeast Gold Resources worth P6.68 billion; that of Philtai Polymer Manufacturing Corp. (maker of polyethylene and ethylene vinyl) worth P968 million; Bacnotan Consolidated Cement Terminal Services Corp., P1 billion; Gypsum Development. Corp. (pioneer gypsum processor), P770 million; and Asahi Republic Glass, P650 million.

Among the major export production projects are those of the Toyota Motors Corp., which recently upped the cost of its transmission manufacturing to P3.2 billion, making it the biggest such project in Asia. Also listed as export producer is Rohm Electronics Phil Inc., maker of micro chips resistors, with project cost of P1.64 billion, and that of Tai Yuan Textile Philippines Inc., worth P4.6 billion.

Police Kill Two in Clash With NPA Mourners

HK2906040590 Manila MANILA BULLETIN in English 29 Jun 90 pp 1, 21

[By Vic Vega]

[Text] Two mourners were killed while scores were wounded in Manila yesterday when policemen of the Western Police District (WPD) and Constabulary soldiers engaged in a shootout with armed mourners during a funeral march for a slain member of the Alex Boncayao Brigade (ABB), the armed partisan unit of the rebel New People's Army (NPA) operating in Metro Manila.

Police reports said the lawmen moved in to arrest suspected NPA "Sparrows" among the mourners when they were fired upon, although there were other reports that some men believed to be military personnel fired first.

The shooting incident occurred near the gate of the North Cemetery on Blumentritt St., Sta. Cruz, Manila, before 4 p.m. yesterday.

The report said the mourners, mostly relatives of the dead and sympathizers of the communist insurgents in Metro Manila, were holding a funeral march for Benjamin Tabuena when the shooting happened. Tabuena died during a rebel ambush of a Constabulary Narcotics Command (Narcom) agent in Quezon city June 25.

Maj. [Major] Rodolfo Rival, chief of the WPD mobile division, said the funeral march came from Letre, Malabon, and was tailed by mobile cars of the Capcome and the Quezon City police. When the march reached the gate of North Cementary, the mourners reportedly displayed red flags and banners of the ABB and chanted revolutionary slogans. Capcom soldiers moved in and tried to confiscate the flags. The shooting started shortly afterwards.

Two were killed on the spot while about 20 mourners were wounded and rushed to nearbly hospitals. The identities of the two slain mourners were not available as of last night.

Charge 21 Arrested

HK2906090390 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 29 Jun 90

[By Jess Garcia]

[Excerpts] Twenty-one suspected Alex Boncayao Brigade [ABB] members have been charged with inciting to sedition. They were arrested yesterday afternoon for openly waving their red flags with the initials ABB and carrying placards showing that they are communists in a funeral for Jess Tabuena, one of the suspects in the killing of barangay councilman and Narcotics Command agent Oscar Cancio on 19 June in Bago Bantay, Quezon City.

Charged and now detained at the Caloocan police detachment were Antonio Brudian, Leo Atienza, Donalo Lonosa, Rey Comota, Roberto Tabuena, Romeo Pido, Apolinario Villadante, Eliodoro Bautista, Jr., Armando Dizon, Vicente Gabilin, Benedict Alcbarado, Eldie Mensola, Ramon Mendoza, Juanito Ileto, Jose Dante, Ruperto Ramos, Jr., Jaime Jalothot, German Jabato, Abadeo Ilag, Dionisio Veloso, and Rupino Cortez.

Meanwhile, two of the accused comrades killed by Lieutenant Rogelio Gilang's men at the La Loma cemetery have not yet been identified as of broadcast time. Two grenades were seized from the victims.

According to Judge Rosa Reyes, the 21 accused can be temporarily released upon payment of 60,000 pesos bail each. [passage omitted]

According to a Capital Command official who refused to be identified, the accused have been under surveillance for a long time, and some of them were involved in the killing of Colonel Reynaldo Dinio. [passage omitted]

CCP Vows To Avenge Attack

HK2906090790 Manila Radio Veritas in Tagalog 0800 GMT 29 Jun 90

[Text] The Communist Party of the Philippines [CPP] vowed to avenge a police attack on a funeral march for a dead member. Two CPP members were killed while 21 others were arrested in the incident. The 21 members were taken into custody after police troops wearing masks and civilian clothes fired on the funeral procession for Benjamin Tabuena, 24 years old, and a suspected member of the Alex Boncayao Brigade. Two of the men carrying the coffin were killed.

In a statement issued today, the ABB condemned the attack on the funeral and vowed to avenge the violence.

Communist Rebels Raid Oil Firm in Sorsogon

HK2906093990 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 29 Jun 90

[Text] More than 40 armed New People's Army [NPA] rebels attacked the Philippine National Oil Company's [PNOC] project drill site in Sitio Botong, Caiso, Bacon, Sorsogon yesterday afternoon. A report by Brigadier General Federico Ruiz, Jr., Southern Luzon Command chief, indicated that security personnel of the oil firm were surprised by the appearance of the rebels and their forced entry into the company premises. The rebels were armed with high caliber firearms.

In the report to Armed Forces chief of staff General Renato de Villa, the rebels were said to have taken with them a mobile unit of the PNOC, four units of VHS handheld radios, drilling paraphernalia, and an assortment of medicines. They quickly fled in an unknown direction. There was no report of casualties.

Meanwhile, Major General Guillermo Flores, Army chief, is expected to make an inspection tour at Camp Nakar at 0800 [0000 GMT] tomorrow to check the new quarters of the Philippine Army here. The headquarters of the Regional Command 4 has been transferred to Camp Vicente Lim in Canlubang, Laguna.

Widow Says Ongpin Gave RAM Financial Support

[Italicized portion in English]

HK2906061590 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 29 Jun 90

[Text] Former Finance Secretary Jaime Ongpin led Filipino businessmen in providing financial support to the Reform the Armed Forces Movement [RAM] to topple the Marcos regime. Mrs. Maria Isabel Ongpin made the revelation in a news conference held today. At the same time, she denied reports that Trade Secretary Jose Concepcion provided financial aid to RAM to launch an antifraud campaign within the Armed Forces of the Philippines in 1985. Jojo Ismael has the details:

[Begin recording] [Ismael] Mrs. Ongpin also diclosed that her husband acted as coordinator between RAM and the businessmen, who were fighting the previous dictator, to gather money to fund the anti-election fraud campaign known as Operation Kamalayan [awareness]. Mrs Ongpin said that the money used by RAM in enforcing Operation Kamalayan came from funds gathered by her husband, and Concepcion, she clarified, was only one of the many people helping in the operation.

It should be recalled that Navy Captain Rex Robles, one of the RAM founders, stated that Concepcion contributed about 250,000 pesos to the RAM. This was confirmed by Christian Monsod, secretary general of National Movement for a Free Election, a body headed by Concepcion.

[Ongpin] *My husband, Jaime C. Ongpin, representing the anti-Marcos assistance [word indistinct] sector in the first presidential elections in February 1986, gave financial aid to the Reform the Armed Forces Movement, RAM, for their anti-election fraud campaign within the Armed Forces prior to the election.*

[Ismael] For Philippine Broadcasting Service, Jojo Ismael, Manila Pavillion. [end recording]

Thailand

Glass Project Approval Eases U.S. Friction

BK2606054190 Bangkok THE NATION in English 26 Jun 90 p 13

[Excerpts] The Board of Investment [BOI] yesterday switched on the green light for US-based Guardian Industry Inc to set up a float glass manufacturing project, easing to a certain extent a simmering friction which could have been a trade war between Thailand and the United States over market access for investment opportunities.

But the Guardian glass project is required to export 50 percent of its production, a condition that analysts said will make it difficult for the company to adhere to from a business point of view. The Guardian Industry executives could not be reached for comment. [passage omitted]

The Guardian project, a joint venture with the Siam Cement Group, will require an investment of Bt [Baht] 3 billion and carry a production capacity of 131,000 tonnes a year. Construction of its plant is expected to take at least two years.

The prime minister was forced to take a personal interest in the Guardian project, which earlier threatened to escalate into a trade confrontation between Thailand and the United States. This is because the Industry Ministry earlier barred the setting up or expansion of any glass projects for five years until 1994. Although late this regulation was cut back to three years until 1992.

But the Guardian Industry executives succeeded in lobbying for the Bush administration to press ahead for the immediate approval of their glass project during the prime minister's US trip this month. [passage omitted]

Chatchai, Suharto To Discuss Cambodia, Trade

BK2706020790 Bangkok BANGKOK POST in English 27 Jun 90 p 1

[Text] The Cambodian conflict and expanding economic and trade ties are likely to be the major topics discussed between Prime Minister Chatchai Chunhawan and Indonesian President Suharto during his official visit to Thailand on July 6-7. Foreign Ministry sources said President Suharto is scheduled to arrive in Bangkok on July 6 with a 99-member delegation.

President Suharto has been granted an audience with His Majesty the King on July 6, either in Bangkok or Hua Hin followed by a meeting with Gen [General] Chatchai.

Gen Chatchai is expected to accompany President Suharto on a tour of the country's Eastern Seaboard before staying overnight in Pattaya.

Both leaders are expected to assess the latest developments concerning the Cambodian situation which will include a briefing on the results of the Tokyo talks and the meeting between top Chinese and Vietnamese officials in Hanoi. Gen Chatchai, the sources said, is expected to sound out President Suharto's views on the developments and discuss what further steps should be taken to assist in a resolution of the conflict.

On bilateral issues, discussions may focus on the formation of a joint commission and how best to expand economic and trade ties, the sources added.

Adviser on Chawalit's Role in Cambodia Talks

BK2906015590 Bangkok THE NATION in English 29 Jun 90 p 5

[Text] A PM's [prime minister's] policy adviser said yesterday he would welcome General Chawalit Yongchaiyut's resumption of his peace making role for Cambodia at the request of resistance premier Son Sann.

Surakiat Sathianthai described as a good sign that Son Sann, premier of the resistance coalition, visited Chawalit to urge him to help organize a meeting of the four warring Cambodian factions in Bangkok.

"It's probably the best thing of all that Gen Chawalit indicated his readiness to help," Surakiat said

However he said that Chawalit was expected to consult with [Prime Minister] Chatchai on Son Sann's proposal.

"There are questions as to the venue, the timing and the agenda of the proposed Cambodian meeting as well as the question as to whether it would be a two delegations' meeting as in Tokyo or a four-party meeting. All these questions have political implications," Surakiat said.

Surakiat also denied yesterday that Gen Chatchai Chunhawan had urged President Bush to pressure China into making concessions on the Cambodian conflict.

Surakiat, a note-taker during the Chatchai-Bush meeting in Washington earlier this month, said the premier only told Bush that the United States, as well as Japan, should hold close dialogues with China on the Cambodian conflict now that Washington had just extended the most Favoured Nation status for China.

Japan with close economic and trade links with China is also in a good position to hold close consultations with Beijing on the Cambodian problem, Surakiat said.

He added that after all, Japan's Prime Minister Toshiki Kaifu decided that Japan should enter the political arena, beginning with the Cambodian conflict, following a recent visit to Japan by premier Chatchai.

Surakiat described as a "misunderstanding in Thai circles" that Chatchai asked Bush and Japan to apply pressure on China, the backer of the communist Khmer Rouge resistance force.

He admitted that the misinterpretation of Chatchai's statement made the Chinese unhappy who expressed their feeling through the Foreign Ministry and "other sources".

General Views Thai-Cambodian Border Situation

BK2806145890 Bangkok Voice of Free Asia in Thai 1030 GMT 28 Jun 90

[Text] At the Information Office of the Supreme Command Headquarters this morning, Lieutenant General Narudon Detpradiyut, Supreme Command Information Office Director, briefed reporters on the current situation at the Thai-Cambodian border. He said there has been fighting in several areas in Cambodia, mostly about 30-40 kilometers from the Thai border. The Cambodian resistance forces launched more attacks, thus forcing the Heng Samrin side to reinforce its troops in many areas.

[Begin Narudon recording] There has been continued fighting in Cambodia between the Heng Samrin regime troops and the tripartite Cambodian resistance forces, and most of the fighting is more than 30 kilometers from the Thai border. Fewer artillery shells fell on Thai territory. The fighting is expected to intensify, as the rainy season has arrived and conditions favor the tripartite Cambodian resistance's launching more operations, while the Heng Samrin troops try to maintain their stronghold.

On the settlement of the Cambodian problem, every country is putting forth more effort to quickly bring peace, freedom, and a cease-fire to Cambodia despite various obstacles. The countries involved in or affected by the Cambodian conflict, especially Thailand, Vietnam, and China, have paid special attention to the issue and are trying hard to achieve peace in this region. The recent meeting in Tokyo produced satisfactory results to some extent, and more meetings will be needed. [end recording]

Cambodian Refugees Moving to Neutral Camp Soon

BK2906013390 Bangkok THE NATION in English 29 Jun 90 p 1

[Text] More than 100,000 displaced Cambodians being sheltered at four border camps will be relocated to a neutral camp at Khao I-Dang in Prachin Buri province soon, Supreme Command spokesman Narudon Detpradiyut said yesterday.

Lieutenant General Narudon said the Cambodians would be moved from Site K and Suksan camps in Trat, and O Trav and Site B in Surin.

Site K and O Trav are run by the Khmer Rouge, while Suksan is administered by the Khmer People's National Liberation Front, and Site B by the Sihanoukist National Army. The three resistance forces are fighting to overthrow the Vietnamese-installed Phnom Penh government.

At present, about 270,000 Cambodians are being sheltered in 11 encampments controlled by the three resistance forces along the Thai-Cambodian border.

"The four border camps would be closed down once the neutral camp is established at Khao I-Dang," Narudon said.

The spokesman said Cambodians who choose to stay with any one of the three resistance forces would be asked to leave Thailand.

"Those who don't want to go to the neutral camp could live on the Cambodian side of the Thai-Cambodian border, which is now safe for civilian settlement," he said.

The neutral camp plan was initiated by Prime Minister Chatchai Chunhawan purportedly to solve long-standing problems of widespread human rights abuses and corruption among camp administrators.

Narudon said the Cabinet is expected to finalize the neutral camp proposal soon.

The camp would be run by the United Nations High Commissioner for Refugees.

—A senior naval officer alleged yesterday that some officials from international refugee relief organizations are involved in smuggling Vietnamese and Cambodian refugees into Thailand.

Colonel Narit Krabuanrat, a spokesman for the Chanthaburi-Trat border task force, said the international relief officials are part of a group which has been bringing the refugees to centres in Thailand by boat.

According to Narit, at least three businessmen from Trat's Khlong Yai district arranged for the refugees to be taken in fishing boats to the Trat and Chanthaburi coastline. The refugees were then taken to the refugee centre in Chon Buri province by van, which involved bribing local officials and refugee workers.

The officials received about Baht 15,000 for a refugee who reached the centre and Baht 60,000 to 70,000 if he or she was brought to Bangkok, the spokesman charged. However, he declined to name the refugee workers or organizations.

Narit said this month alone 233 refugees were caught after being illegally brought into the country, indicated a sudden increase in the lucrative smuggling business.

He said during the same period 670 Vietnamese boat people arrived at Chonburi, Rayong, Chanthaburi, Trat and Pattani provinces.

Funds for Training Cambodian Refugees Cut Back

BK2606023790 Bangkok BANGKOK POST in English 26 Jun 90 p 4

[Text] Donor countries have cut back financial assistance for training programmes for Khmer refugees in border camps pending further progress in the Government's plan to set up neutral camps to accommodate displaced Cambodians at the border. Reliable military sources said that the move has stalled various programmes including one to provide occupational training for Cambodians to enable them to settle in their homeland when repatriated.

The sources said that so far government agencies concerned with refugee affairs have not been able to decide on the location for the neutral camps Prime Minister Chatchai Chunhawan wanted to set up to prevent armed Khmer factions from terrorising civilians and to prepare the refugees to go back to their country.

The sources said that the countries which provided financial support for the training programmes for the refugees in border camps have cut back on aid, reasoning that they wanted to see progress in the plan.

Sitthi To Attend Commission Meeting in Malaysia

BK2906054690 Bangkok Voice of Free Asia in English 1500 GMT 28 Jun 90

[Text] Foreign Minister Sitthi Sawetsila leaves today for Penang to take part in the third Thailand-Malaysia joint commission meeting. Air Chief Marshal Sitthi is scheduled to co-chair the joint commission meeting on June 29th to 30th with his Malaysian counterpart Abu Hassan bin Omar which follows the senior officials' meeting on June 26th to 27th. Both countries' permanent secretaries to their respective foreign ministries will co-chair the senior officials' meeting.

Chat Thai Members Urge Chawalit To Form Party

BK2906015390 Bangkok BANGKOK POST in English 29 Jun 90 p 1

[Text] Former deputy prime minister and defence minister Gen [General] Chawalit Yongchaiyut would be better off forming his own political party than joining Gen Chatchai Chunhawan's Chat Thai Party.

Speaking after a meeting of 15 Chat Thai MPs [Members of Parliament] who call themselves the Justice Group yesterday, Chanchai Phromsakha na Sakon Nakhon said the group did not see a smooth path towards the highest position in the party for Gen Chawalit.

He said the general should find a number of popular MPs and form his own political party. "He would have better chances this way than joining the Chat Thai Party," said Chanchai.

"We know that Gen Chawalit had entered the political arena with strong hopes of becoming prime minister.

"But the process of becoming a prime minister requires one to first become a party leader and it will be very difficult for him to become the Chat Thai party leader," he said.

Concerning Gen Chatchai's invitation for the general to join his party, Chanchai said the prime minister likes Gen Chawalit very much and would like him to see him as party leader and has explicitly made known his intention by inviting him to join the party.

"But though the invitation was proposed by Gen Chatchai, there is no absolute guarantee that all party members would agree to it. All are honourable and independent in their judgment.

"Gen Chawalit has neither the barami (charisma) nor adequate time to muster the support of the Chat Thai Party," said Chanchai.

The Justice Group was formed in 1988 and currently comprises 15 Chat Thai MPs headed by Sa-at Piyawan (Lampang). Chanchai claims five other party MPs will soon join the group.

The MPs in the group are trying to exert influence within the Chat Thai Party in anticipation of a Cabinet reshuffle after the upcoming censure debate.

Chatchai's Remarks on 'Heir' Chawalit Analyzed

BK2806110790

[Editorial Report] Two Thai-language dailies, THAI RAT and BAN MUANG, on 26 June carried a column and an editorial respectively commenting on Prime Minister General Chatchai Chunhawan's recent remark wishing General Chawalit Yongchaiyut to become his political heir.

THAI RAT's 900-word column by Pleo Si-ngoen on page 5 entitled: "Problems That Determine the Country's Fate," asked the government, military, and others concerned in the current political confusion following Gen. Chawalit's resignation as deputy prime minister and defense minister, to shrug off personal disputes. It said that they should cooperate with each other to do the best possible in the country's interest. The government should pay more attention to problems affecting the people's welfare, such as falling paddy prices, soaring prices of consumer goods, as well as the causes of delays in many development projects planned by the Chatchai government.

The column said Chatchai should not be afraid of Chawalit's taking the post of prime minister away from him. Also, he should not waste time pondering how his government can survive the full four-year term; instead, he should concentrate on how much progress it should achieve for the country.

The column asked: "What is the use of Chatchai's talking about an impossibility, of wanting Chawalit to replace him as Chat Thai Party leader or, in other words, to become his political heir? He must realize the party leader's post is not private property that can be freely given away to anyone."

In conclusion, the column said, Chawalit should himself decide what further political steps to take. He must do his best to convince the people of his sincerity to work for the country. Then the people will decide his future for him.

BAN MUANG's 600-word editorial on page 2 entitled: "Actions Indicate the Future," pointed out that Chawalit must thoroughly consider Chatchai's recent remark to the press on 23 June about his desire for Chawalit to replace him as Chat Thai Party leader or to become his political heir. Chawalit's decision on whether or not to join the Chat Thai Party is important for his political future.

The editorial noted, in fact, that Chatchai cannot hand over the post of party leader to anyone he wants. He has to follow party rules. Besides, the party has more than 10 senior members, most of whom are also eyeing for the top position in the party executive committee. Despite the fact that Chawalit is a capable man and one whom the party is looking for, the highest possible position for him as a newcomer is deputy party leader. The paper pointed out that in order to become party leader, Chawalit will have to take much more time to gain sufficient support and recognition from party members. Due to various factors, the chances of Chawalit's becoming party leader are very slim "except for a miracle."

"Anyway, most people believe that Chatchai's announcement of Chawalit as his heir is a political tactic, as he simply will not be able to bring this about. It is like comforting a child with a cookie. Therefore, all of Chatchai's actions so far are a good indication of Chawalit's future," the paper concluded.

Suchinda's Attitude in Recent Crisis Praised

BK2806154590 Bangkok KHAO PHISET in Thai 18-24 Jun 90 p 3

[Editorial: "In Between Dignity and Discipline, Where Is National Interests' Place?"]

[Text] If "dignity" is more important than "discipline," what should then be more important than "dignity"?

Political tension created by the resignation of General Chawalit Yongchaiyut, deputy prime minister and defense minister, has shown us that national security and its survival are more important than dignity. Several senior military officers have made it clear during the crisis that they prefer to see an atmosphere of peace and goodwill in the country rather than incitement to violence and confrontation to aggravate tension, as this would negatively affect the political situation and image of the country.

The national economy has already been affected by the social panic. The SET [Securities Exchange of Thailand] index plunged more than 40 points. The trend could have worsened, which in turn could have resulted in some political disturbance that would have a negative impact on foreign investment, if it was not for "the maturity" of our leadership, especially of our Army Commander in Chief General Suchinda Khraprayun.

As early as the interview he gave to Army Television Channel 5 while in Singapore, Gen. Suchinda made clear his desire to prevent a further misunderstanding between the two parties which could have blown up into a major conflict threatening the country's security. Thus he displayed his stability and maturity. Such a stand shows that Gen. Suchinda Khraprayun is a "career soldier."

The show of force by low-level military officers to express their feelings about political developments in the country has been a practice of the army since General Prem Tinsulanon was prime minister. The ways in which they show moral support vary from rallies and visits to less-intense congregations to protest against certain individuals, as in the rangers' protest at the residence of M.R. Khukrit Pramot; the military officers' get-together to protest against M.R. Sukhumphan Boriphat, former adviser to the prime minister; and two rallies which had taken place at the First Army Division.

We believe that such practices will no longer be necessary if "high-ranking commanders," have the army chief's steadfastness and maturity. With a "career soldier" as their commander, army officers should have no difficulty in conveying their feelings or frustrations. It is likely that a "career soldier" like Gen. Suchinda Khrapayun would be "straightforward" in his dealings and long-term relations with the government.

We therefore hope that with Gen. Suchinda as army chief, the show of force by military officials would become a relic of the past. A straightforward, open-minded "career soldier" would certainly have the courage to pass a message from the entire army to the government. Therefore there is no need for his subordinates to stage a show of force to create unnecessary ripples anymore. The recent crisis should serve as a lesson to both the military and the political institutions. They should be able to draw conclusions, try to get along, and strike a balanced relationship with one another for the sake of harmony.

Again, we would like to praise government and military leaders for their broad-mindedness, maturity, patience, and self-restraint. Only with cooperation between the two blocs will the Thai politics be able to move out of the "old games" and advance toward new developments.

Police Seize Suspects in Murder of Saudis

BK2706032390 Bangkok THE NATION in English 27 Jun 90 p 1

[Text] Police last night seized a large number of war weapons, including assault rifles and grenade launchers, and arrested three Bangladeshis in Rajburana district. One suspect escaped after a brief gunfight with police.

Interior Minister Banhan Sinlapa-acha said police believe that the suspects were involved in the Feb 1 murder of three Saudi Embassy Officials in Bangkok. He said the police had expected to seize from them a handgun similar to the type used in the killings. But Banhan did not say how the suspects were involved in the murders.

Central Investigation Bureau Deputy Commissioner Pol Maj Gen [Police Major General] Chalor Kerdthet, who led the police raid, said the fugitive suspect might be in possession of a 6.35-calibre pistol, the model used to kill the Saudis.

Nine M-16 and 36 AK-47 assault rifles, 10 rocket-propelled grenades (RPG), five RPG launchers, 10 hand grenades, 10 sticks of TNT explosives, 33 AK-47 magazines, eight M-16 magazines, a .38-calibre revolver and one sack of M-16 ammunition were seized from a house in Soi Pracha-uthit 61 in Bang Mod after police briefly exchanged fire with arms smugglers.

No injuries were reported in the incident, which was probably the biggest arms seizure in Bangkok in many years.

Police said the smugglers used the house, located near Antakawa Masjid, for about eight months to store the weapons. They allegedly planned to smuggle the weapons to southern Thailand.

About 30 policemen laid siege at the house at about 10.30 pm. The suspects opened fire at the police in an attempt to flee, police said. After a few minutes of gunbattle, police entered the house and overpowered three men inside. Another suspect fled the scene.

The three captured men were identified as Mohammad Said, 48, Ahamad (surname unknown), 45, and Abdul Jari, 26. They are all Bangladeshis, police said. Chalor identified the fugitive Bangladeshi as Arthur Rahaman, 25.

Suspect in Murder of Saudis Issues Denial

BK2706034390 Bangkok THE NATION in English 27 Jun 90 p 2

[Text] A suspect in the murder of three Saudi embassy officials in February yesterday denied the murder charge against him and assigned human rights lawyer Thongbai Thongpao to defend him.

A state prosecutor on June 21 filed a lawsuit against Suchat Herabi, 25, with the Criminal Court charging that the suspect had acted as a lookout for a gunman, who is still at large, in two separate killings of three Saudi Arabian diplomats in Bangkok on Feb 1.

A Saudi embassy official, Abdallah A. al-Basri, was gunned down at the parking lot of Sri Pattana Apartment in Soi Yen Arkart and two other victims, Fahd A.Z. al-Bahli and Ahmad A. al-Saif, were shot dead in front of their home in Sok Kengchuan off Nang Linchi Road in Thung Maha Mek area. Suchat surrendered to Thung Maha Mek police on March 23 and was later detained at the Khlong Prem Prison without bail.

In the first hearing yesterday, Suchat, whose ankles were chained, denied that he was involved in the killings and said Thongbai, a Magsaysay Award winner, would be his lawyer. The court then set July 17 for the next hearing.

Suchat told reporters after the hearing that he was in the southern province of Pattani on the day the murders took place. He said he gave himself up to the police because he was told that police only wanted to question him and he would not be arrested. However, Suchat said after he surrendered he was put in a lock-up for three days at Thung Maha Mek police station before a witness implicated him in the murder of the Saudi officials.

Suchat also admitted that he had been convicted for robbery but said he had already served five years in prison for that offence and that the previous conviction should have nothing to do with the current murder charge. The prosecutor had earlier asked the court to consider handing down a severe sentence on Suchat as the past imprisonment had allegedly failed to chasten him.

Suchat denied that he was beaten up by corrections officials and said the living condition in the prison was quite comfortable.

Thongbai, meanwhile, said he will prove that Suchat is innocent by using the evidence that the suspect had appeared at the Pattani post office on Feb 1, to cash in a money order sent to him from his wife in Bangkok. "He don't even know where the Saudi Arabian embassy is," Thongbai said.

Suchat's relatives had earlier complained to Thongbai that Suchat was made a scapegoat in this case and that they had an official document to confirm that Suchat was not in Bangkok on the day of the murders.

Anticrime Unit Seizes 'Assortment' of Weapons

BK2506005590 Bangkok THE NATION in English 25 Jun 90 p 1

[Text] The special anti-crime unit reporting directly to the Prime Minister's [PM's] Office seized a large assortment of war weapons on Saturday in its latest operation against arms smuggling in Buri Ram province. PM's Office Minister Chaloem Yubamrung, who oversees the special police unit, said some of the weapons, including anti-tank mines and recoilless rifle shells, were bound for narcotics traders in the North while the others were destined for underworld crime bosses in the East.

The seizure, according to Chaloem, was made near the Thai-Cambodian border on a route between Krasang and Prakhon Chai districts of the northeastern province. He did not say whether police arrested any suspects and gave no details about how the weapons were uncovered apart from saying police had received a tip-off about the smuggling. The weapons confiscated included 18 automatic rifles and a large number of explosives, landmines, rocket-propelled grenades and ammunition for assault rifles and anti-aircraft guns, he said.

Chaolem himself went to Buri Ram on Saturday to supervise the special unit's work. The minister said the operation was his unit's second confiscation of war weapons this month.

Vietnam

National Assembly Continues Plenary Session

BK2806062790 Hanoi Domestic Service in Vietnamese 0500 GMT 28 Jun 90

[Text] The National Assembly continued its plenary session this morning at the Ba Dinh Conference Hall. National Assembly Chairman Le Quang Dao directed the session.

After being informed by Chairman Le Quang Dao of the sudden demise of lawyer Phan Anh, national assembly deputy from Nhe Tinh province, at his home at dawn on 28 June, the National Assembly deputies oberved a minute's silence in memory of the late lawyer.

Expessing his views at this morning's sitting, Chairman of the Council of Ministers Do Muoi pointed out:

Over the past six months, against a backdrop of very complex changes in the world and a situation rife with a multitude of new and old difficulties and obstacles, under the party's correct leadership and by developing their tradition of solidarity and exerting efforts in implementing all party and state policies, our people of all strata have been able to firmly maintain political and social stability and national security and defense, thereby accelerating the process of renovation in all domains and continuing to consolidate and develop the positive and important changes effected in the socioeconomic situation in 1989.

After pointing out the achievements recorded in agricultural and industrial production during the past six months—especially success in maintaining the average monthly price increase at 2.7 percent, marginally lower than in 1989—Comrade Do Muoi noted:

Nevertheless, the situation has changed slowly and is still rife with difficulties and contradictions. Grain production remains unstable, the planting of industrial crops has decreased, and the production of the state-run industry, local industry, and small industry and handicrafts is still stagnant and on the decline.

Next, Chairman of the Council of Ministers Do Muoi pointed out five issues which must be analyzed and tackled in order to further stabilize the situation and create momentum for more vigorous development in the days ahead:

First, the struggle against inflation and sluggishness in production and business activities;

Second, imbalance in the economy and newly emerging difficulties;

Third, economic development and the settlement of social problems;

Fourth, work in preparation for the 1991 plan and 1991-95 five-year plan as well as for the development strategy until the year 2000; and

Fifth, renovation of the management mechanism and reponsibility for socioeconomic management.

At the end of the morning sitting, National Assembly deputies heard a report of the Council of Ministers on the need to retain the administrative boundaries in light of the present situation.

This afternoon, the National Assembly will continue discussing various pressing socioeconomic issues.

Communique No. 7 Issued

BK2906160190 Hanoi Domestic Service in Vietnamese 1430 GMT 28 Jun 90

["Eighth National Assembly Issues Communique No. 7"]

[Text] On the morning of 28 June 1990, the National Assembly held its plenary session at the conference hall. National Assembly Chairman Le Quang Dao directed the session.

1. Opening the session, with deep sorrow, Chairman Le Quang Dao informed the National Assembly that Comrade Phan Anh, born in 1912, National Assembly deputy from Nghe Tinh Province, vice chairman of the Vietnam Fatherland Front [VFF] Central Committee, chairman of the Vietnam Committee for the Protection of World Peace, president of the Vietnam Lawyers Association, former vice chairman of the National Assembly, and member of the National Assembly from its first to eighth legislatures, had suddenly passed away at 0200 on 28 June 1990 at his home in Hanoi. The National Assembly observed a minute's silence in memory of the late Comrade Phan Anh.

2. Expressing his views to the National Assembly, Comrade Council of Ministers Chairman Do Muoi praised National Assembly deputies for their thorough analyses of the socioeconomic situation of the first six months of the year and their suggestions as to how the Council of Ministers may effectively provide guidance and carry out its managerial functions in the days to come.

The comrade Council of Ministers chairman elaborated on the necessary measures aimed at stabilizing the current socioeconomic situation so as to create a momentum for more vigorous development in the days ahead. Chairman Do Muoi proposed that the National Assembly and the people's councils at all levels step up their supervision on the performance of the Council of Ministers and the people's committees at all levels in order to guarantee the success of the implementation of the 1990 socioeconomic tasks and to create a momentum for subsequent years.

3. The National Assembly discussed the adjustment of administrative boundaries at the provincial level and voted for the Council of Ministers' proposal to retain the administrative boundaries of provinces, cities, and special sectors directly subordinate to the central government. The National Assembly charged the Council of State and the Council of Ministers with the duty of studying and preparing plans to organize the government system and the administrative boundaries of provinces and cities directly subordinate to the central government as well as administrative units at corresponding levels for submission to the National Assembly for consideration and approval at an appropriate time.

The National Assembly deputies held group discussions in the afternoon.

Session Viewed

BK2906110290 Hanoi International Service in English 1000 GMT 29 Jun 90

[Text] Unlike the previous session, the seventh session of the Vietnamese National Assembly, Eighth Legislature, spent much time on group discussions and general debates. There were often two or three opinions on one problem, and the deputies discussed them with frankness and democracy. Therefore, the final decision came out only after the vote, especially on the percentage of agricultural tax on the total income of the peasants, the proposal for permitting private Vietnamese businessmen to directly cooperate with foreign investors, and the real socioeconomic situation in Vietnam in the first half of this year.

National Assembly Deputy of the Mekong River Delta province of Hau Giang, Nguyen Ha Van, on behalf of rice growers there, acknowledged the state of open-door policy in economic management and questioned the Council of Ministers' responsibility for the shortage of fertilzer in rural areas. Minister of Agriculture and Food Industry Nguyen Cong Tang explained this issue in a plenary session that still did not satisfy the deputy. Deputies of Long An, Ben Tre, and An Giang Provinces continued to question about this problem in following debates.

Many deputies showed their dissatisfaction with the granting of import-export licenses which caused the disorder and negative phenomena in granting quotas. Mr. Dao Duy Thanh, who is no longer minister of external economic relations, had to answer this question.

This example showed that the people's deputies in the Vietnamese supreme authority has realized the voters' aspirations and tried to find out orientations to solve the most urgent socioeconomic problems of the country. The resolutions to be adopted at the closing session on 30 June, to some extent, will certainly meet the voters' demand.

Article Stresses Need for Democratic Centralism

BK2806135590 Hanoi Domestic Service in Vietnamese 1400 GMT 25 Jun 90

[Article by Doan Chuong: "Is the Communist Party Still Adviser to the Working Class and a Militant Unit or Is It a Club"]

[Text] Imperialist forces hostile to socialism are maneuvering to demand the implementation of political pluralism and the establishment of opposition parties. They are also attacking the communist party, aiming at the final elimination of socialism. Political pluralism can be said to be a rapidly spreading phenomenon causing serious crises to socialist countries and their communist parties.

What is of more concern is that this phenomenon has penetrated party regulations or the backbone of some communist parties. Its demand for the abolition of the democratic centralism principle—the fundamental organizational principle of the communist party—is aimed at turning the party into a club and in ending its roles as adviser to the working class and as a militant unit. As we all know, communist parties in capitalist countries under certain conditions of class relations have taken advantage of the mechanism of political pluralism and forum to struggle for the practical benefits of the masses. However, these parties must be militant. They must also be organized along the principle of democratic centralism to carry out their struggle. Otherwise they cannot remain firm in the face of enemy counterblows and will merely become pawns in enemy hands. This is a profound lesson in life.

That the communist party is considered a club or a parliament is not new. This party has existed since the Second International, when we called it the old fashion party. Lenin himself earned the great merit of building a new type of party, the militant party organized along the principle of democratic centralism. This party correctly reflected the nature of the proletariat, forged unity of mind and action, and led to the victorious Russian October Revolution to open a new era in history.

The nature of socialism is democracy and humanity. The communist party's goal is the interests of the working class and the laboring people. The party's activities, both theoretical and practical, are all based upon the masses and are aimed at promoting democracy and freedom for all party members and the right to mastery for all people. As a result, the communist party has succeeded in bringing into play the intelligence and strength of all party members and people. However, if the principle of democratic centralism is not adhered to, it will be impossible to create unity in mind and action in the entire party and society.

Although there are still many shortcomings and mistakes to overcome in carrying out reform and reorganization, what socialism has done to change the face of this planet this century cannot be separated from the leadership of the Leninist party. Look at realities in our country. Had our party not been organized or operated along the principle of democratic centralism, it could not have survived French colonialist rule in the temporary enemy-controlled areas, let alone those revolutionary sagas of the August Revolution, the anti-France and anti-U.S. resistance struggles, or the current renovation drive.

How strange it has been then for some people to have called for a return to Lenin but demanding the elimination of democratic centralism from party regulations, the principle that Lenin himself had resolutely struggled to introduce into Bolshevik rules against the Mensheviks and opportunists, in order to meld all party members together into a solid ideological, political, and organizational bloc.

Brzezinski, a former security advisor to the U.S. president said: To reject democratic centralism is to officially reject Leninism. Those who advocate political pluralism maintain that democratic centralism means a loss of democracy. They have presented many reasons which finally say that once we have adopted democratic centralism, the minority must be subjected to the majority. However, is the view of the majority always right? Sometimes, the view of the minority, even an individual, is right. Moreover, since there have been different views, there must be an organization to define their existence, which means that there must be groups and factions in the party. This is tantamount to implementing pluralism in the party.

These people want democracy but do not want to centralize it in order to create unity of mind and action. They want to turn the party into a club which conducts empty debates and to establish antagonistic factions to undermine the solidarity and unity of the party. No one can deny that the views of the minority or even of an individual may be right, since reality is a criteria for truth, but truth does not depend on anyone's authority. It is imperative to promote freedom and democracy in the organization, to make proposals frankly, and to listen to one another's views.

Democratic leadership means that we must listen to all views, especially the contrary ones. Views of the minority will be accepted and studied; they may even be implemented with evaluation purposes. We must oppose all manifestations of arbitrariness and dictatorship which suppress democracy. However, democracy is not implemented merely for the sake of democracy; it is aimed at performing revolutionary acts. The principle of democratic centralism is used to discover truths on which we base our views, exchange and discuss these views, screen impurities and secure the good points in order to discover the most correct line, and then, on this basis, unify mind and action. However, at times, the views of individuals or components are correct, while the collectives cannot be persuaded to realize this correctness. This is understandable because knowledge is a process. We must go through trials and struggles within the organization in order to persuade collectives to unify their minds and actions and to overcome incorrect knowledge. Factionalism and undermining the solidarity and unity of the party are absolutely forbidden.

To sum up, democracy must go hand in hand with discipline. Can an organization in which each member speaks unilaterally and plays his own tune remain an organization in this sense of democracy, especially in the case of the communist party which is the vanguard unit and the nucleus of solidarity of the working class and laboring masses?

Each organization must have its own organizational and operational mechanism which must be observed by each of its members. To the communist party, this mechanism is the principle of democratic centralism which correctly reflects the nature of the proletariat that it represents. Unity of mind and action constitutes the strength of our party. Democratic centralism is the fundamental principle that ensures that unity and strength. The Fifth Party Resolution clearly indicates: Democracy and centralism must exist together even though democracy still has certain definite shortcomings. We must struggle together to overcome these shortcomings in order to better centralize democracy and to keep the party leadership abreast of the country's renovation process.

Democratizing all activities of the party and society is the main scope of political renovation. However, the democratization process must go along with centralism, must serve as a basis for creating unity of mind and action in the political and ideological fields of the entire party, and must create political stability in the entire society.

Eliminating the principle of democratic centralism, anarchic democracy, boundless liberty, and centralizing power into one individual which leads to arbitrariness and dictatorship, will turn the communist party into a club party and not a militant party that leads society.

Legal Action Taken Against Illegal Publication

BK2706140190 Hanoi Domestic Service in Vietnamese 1100 GMT 25 Jun 90

[Text] The Press Department of the Ministry of Culture, Information, and Tourism reported that the ministry, based on its official Document No. 263-BC dated 2 June 1990, requested that action be taken against the illegal publication of TAP CHI PHAP LUAT [LAW REVIEW] of Quang Nam-Danang Province's judicial service.

The people's committee of Quang Nam-Danang Province issued a decision to recover all copies of the review. On 20 June 1990, the provincial people's committee decided to dismiss Comrade Vu Dinh Thien, deputy director of the judicial service. It charged the judicial service director with the task of examining the case of Comrade Vu Dinh Thien and related individuals who are involved in the illegal publication of this review.

NHAN DAN Calls for Publication Improvement

BK2806074990 Hanoi Domestic Service in Vietnamese 2300 GMT 24 Jun 90

[Text] NHAN DAN today, 24 June, carries an editorial entitled: "Strive To Provide Readers With Good Newspapers and Useful Books." The editorial says the cause of the current spreading of decadent books in society is due to loose control and the lack of seriousness in implementing laws and regulations on publication by the responsible state agencies. Many unauthorized agencies have arbitrarily issued licenses for publication while some magazines have carried articles beyond their permission. Moreover, a number of publishing agencies have shown their irresponsibility while cadres responsible for the publication work are incompetent. Against this background, control of publications in localities is not strict. This is because of negligence by echelons of party committees and the administration. As a result, opportunists have taken advantage of the loopholes in state management of publications to carry out their sabotage activities.

While we are shifting the press and publications to business accounting and striving to improve work of publishing agencies to meet the readers' legitimate interest, some bad elements have used literature and the press to do business and gain profits at the expense of the masses' low taste. As a result, press and publication work in some localities has not met its lofty objective.

The editorial concludes: It is necessary to promptly enhance the party leadership and state management over publication work while strictly enforcing the law governing this field. It is also necessary to promptly commend good publishing agencies and seriously deal with units and individuals who violate law and regulations so as to strengthen and improve the press and publication work.

Vo Nguyen Giap Arrives in Jakarta 25 Jun

BK2806153090 Hanoi VNA in English 1501 GMT 28 Jun 90

[Text] Hanoi VNA June 28—General Vo Nguyen Giap, vice-chairman of the Council of Ministers, arrived in Jakarta on June 25 afternoon on an official friendship visit to the Republic of Indonesia.

The Vietnamese leader and his party were received by General Murdani, Indonesian Minister of Defence and Security. General Vo Nguyen Giap conveyed best regards from the Vietnamese leadership to President Suharto and the people of Indonesia.

On June 26 morning, General Vo Nguyen Giap laid a wreath at the war martyr cemetery in Jakarta. The same day, he exchanged views with Indonesian Minister-Coordinator for Political Affairs and Security Admiral Sudomo, and Minister-Coordinator for Technology, Finance and Industry Radius Prawiro on issues of mutual concern. General Vo Nguyen Giap had cordial meetings with Commander-in-chief of the Indonesian Armed Forces General Sutisno and other commanders of the Indonesian Armed Forces. He later gave a talk to generals and students of the Indonesian Army Institute at the headquarters of the Indonesian Armed Forces.

In the evening the same day, General Murdani hosted a banquet in honour of General Vo Nguyen Giap and his party with the participation of Indonesian high-ranking government and army officials.

French-Speaking Parliamentarians Pay Visit

BK2606083990 Hanoi VNA in English 0714 GMT 26 Jun 90

[Text] Hanoi VNA June 26—A delegation of the International Assembly of French-Speaking Parliamentarians (AIPLF) led by Andre Delehedde, general secretary of the international assembly, paid a working visit to Vietnam from June 21-26 at the invitation of the Vietnamese National Assembly's Commission for External Relations.

While here, the delegation paid a floral tribute to Ho Chi Minh at his mausoleum.

It was received by Vice President of the State Council and President of the National Assembly Le Quang Dao.

Ms. Nguyen Thi Binh and Nguyen Ngoc Ha, respectively head and deputy head of the National Assembly's Commission for External Relations, exchanged views with the guests on issues of common concern. Nguyen Thi Binh welcomed the visit as a contribution to strengthening the friendly relations and cooperation between the Vietnamese National Assembly and the International Assembly of French-Speaking Parliamentarians.

The delegation also had working sessions with the Office of the National Assembly and the State Council, the Foreign Ministry, the Ministry of Education and Training, VIETNAM NEWS AGENCY, and other offices, and toured some economic and cultural establishments in Hanoi and Quang Ninh Province.

French Ambassador to Vietnam Claude Blanchemaison was also on hand on those occasions.

Australia

Hawke on Immigration, Refugee Policy Changes

BK2706071790 Melbourne Overseas Service in English 0500 GMT 27 Jun 90

[Text] Australia's prime minister, Mr. Hawke, said many of the 20,000 Chinese nationals who were in Australia at the time of last year's Beijing massacre will choose to return home within the next four years. He noted that 1,400 Chinese students in Australia last June had already returned.

Announcing Australia's asylum to Chinese nationals and changes to the immigration and refugee policies, Mr. Hawke expressed the hope that China's political and human rights situation would improve. The government has confirmed that Chinese nationals in Australia on 20 June last year will be allowed to stay on for four years under a special immigration category. Mr. Hawke said they will not be forced to return to China, and if they want permanent residency their applications will be treated on a case by case basis.

Under a new policy, refugees and humanitarian migrants will no longer be granted immediate permanent residency and will be given temporary permits and have to wait four years before applying for permanency.

The total number of people able to migrate to Australia next year is to be cut from 140,000 to 126,000.

Radio Australia's Canberra Office said the greatest cuts were being made to the concessional family categories under which [word indistinct] immediate family members are allowed to join migrants already in Australia.

Contact Awaited From Reported PRC Defector

BK2906042090 Hong Kong AFP in English 0226 GMT 29 Jun 90

[Text] Canberra, June 29 (AFP)—An official who reportedly defected from the Chinese Embassy here this week has not yet approached the Australian Government for political asylum, a Foreign Affairs Department spokesman said Friday. The 29-year-old man is reported to have defected from the embassy, saying he feared he was under suspicion for his sympathetic attitude towards pro-democracy Chinese students in Australia.

The foreign affairs spokesman said the government was aware of reports that a Chinese Embassy official was being sheltered by members of the Asian community. But he said the man had not made contact with either the Foreign Affairs or Immigration Departments, nor had there been any approach from the Chinese Embassy on the matter.

Marion Le, of the Australian Indochinese Refugee Association which deals with Chinese refugee issues, said the man would apply for refugee status in Australia. "I think most people assume that people apply for political asylum when they come out of an embassy, but he'll apply for refugee status," she said.

Ms. Le said the man, who is chief landscaper at the embassy, had been placed under increasing political pressure at ideology and discussion sessions for deviating from what was regarded as correct thinking. She said he had heard he was to be recalled early to Beijing and feared retribution for his political beliefs on his return. However, his greatest concern was for his wife and baby still in China, she said.

The defection is understood to be the first from the embassy this year and came only one day after Prime Minister Bob Hawke said Australia was hoping relations with China could improve. Earlier this week, Mr. Hawke announced that some 20,000 Chinese students who were in Australia at the time of the Beijing massacre last June could remain in Australia until 1994 when the situation in their homeland would be reassessed.

Five Chinese officials defected from the embassy here last year in the aftermath of the crushed pro-democracy uprising in China.

Fiji

Authorities Tighten Entry Laws for Chinese

BK2806131690 Hong Kong AFP in English 1250 GMT 28 Jun 90

[Text] Suva, June 28 (AFP)—The immigration authorities here have begun to tighten visa regulations for Chinese nationals to stem a flow of illegal immigrants into Fiji, officials said Thursday [28 June]. Senior immigration officials said that new guidelines now being drafted would drastically restrict the entry of mainland Chinese nationals on visitor, work or residency permits.

The only foreigners who require tourist visas for Fiji are Indian and Pakistani nationals. But the principal immigration officer, Mohammed Aiyub Khan, said the department was concerned about an uncontrolled flow of Chinese which had accelerated since the Beijing massacre last June. "We're in the process of reviewing our procedures on Chinese immigration after last year's incidents," Mr. Khan said.

Director of Immigration Akapusi Qeranatabua told a local radio station Thursday that although there was no ban on mainland Chinese, Fiji's diplomatic missions had been instructed to refer all Chinese visa applicants to Suva for approval. Mr. Qeranatabua said large numbers of Chinese had entered commerce and farming in places reserved for Fiji citizens.

Last year, police said they had uncovered a passport racket involving dozens of mainland Chinese and people from Hong Kong.

This week, Zhan Hongchong from the southern Chinese city of Guangzhou was charged with fraudulently obtaining a Fiji passport. But state prosecutor John Semisi asked the Suva court Tuesday to drop charges "because the Chinese authorities have been uncooperative in providing that vital witness." First Secretary Yang Jiefa of the Chinese Embassy in Suva declined comment, saying, "It's a sensitive issue."

A small Chinese population has lived in Fiji since 1920, but dozens of skilled and professional workers left after the 1987 military coups here, and the Chinese population last December was estimated at one per cent of Fiji's 727,000 population.

Prime Minister Ratu Sir Kamisese Mara on Wednesday named Housing and Urban Development Minister Tomasi Vakatora as his special assistant on immigration matters. The Immigration Division was absorbed in the Home Affairs Ministry by Fiji's coup leader Major-General Sitiveni Rabuka during his military rule between September and December 1987. The department reshuffle comes less than a fortnight after an extremist Fijian group petitioned the government to deport 12 people including two naturalised Fiji citizens.

New Zealand

Palmer Offers To Host New Guinea Peace Talks

BK2806053590 Hong Kong AFP in English 0505 GMT 28 Jun 90

[Excerpts] Wellington, June 28 (AFP)—New Zealand agreed Thursday to provide navy ships to serve as a neutral venue for talks to resolve a secessionist struggle on the copper rich Bougainville island in Papua New Guinea (PNG). Prime Minister Geoffrey Palmer told a press conference here PNG asked for help and New Zealand will provide two frigates and a fleet tanker.

Talks could get underway next month although the Bougainville Revolutionary Army (BRA) has not reacted to proposals for a new venue.

Mr Palmer said he had had talks with PNG Prime Minister Rabbie Namaliu and it was clear New Zealand's offer had the support of the leaders of Bougainville Island. Mr Palmer said New Zealand was not a party to the peace negotiations. "We are providing a venue, a secure venue," he said. "The timing and the duration still has to be worked out."

Saying the offer of ships was in response to a request, he said the issue was delicate and there was not much the government could say about it. The ships likely to be used, frigates Waikato and Wellington and the tanker Endeavour, are due in Singapore Friday for exercises. He said officials would visit PNG soon to work out the precise rules of engagement for the talks.

Asked if other Pacific nations would view the offer as New Zealand interference, he said the government had been as careful, sensitive and delicate as possible. "Now I cannot speak for Pacific island states however."

Peace talks scheduled for earlier this month in Honiara, capital of the neighbouring Solomon Islands, were cancelled when BRA leaders refused to leave Bougainville because they said their safety could not be guaranteed. [passage omitted]

In a statement Wednesday night Mr Namaliu said the talks between BRA and Port Moresby would take place "within Papua New Guinea waters." He said the latest move was one of "a number of options" explored in recent months by his government.

Mr Namaliu said the scrapping of Honiara as a venue "has been necessary because recent communications with the representatives of Bougainville people revealed that they are not completely satisfied with Honiara as the venue. "We have therefore looked at other options. We are doing all possible to create understanding and trust as well as to create an environment of confidence which would be conducive to the proposed talks with representatives of Bougainville people."

To Send 'Planning Team'

BK2806064690 Melbourne Overseas Service in English 0500 GMT 28 Jun 90

[Text] New Zealand says a team will go to Papua New Guinea soon to work out precise details of its offer to provide naval vessels for peace talks between Bougainville secessionists and the Port Moresby government.

The prime minister, Mr. Geoffrey Palmer, and the external relations minister, Mr. Mike Moore, told a news conference in Wellington that Papua New Guinea had asked for assistance during talks over several weeks. Mr. Palmer said the planning team would probably be led by a naval officer and would finalize the duration and timing of the peace talks. New Zealand would provide the frigates—Waikato and Wellington—and the supply ship Endeavor, and will guarantee the security of delegates during any talks.

But both Mr. Palmer and Mr. Moore warned that the chances of peace remained tenuous and that the latest moves toward negotiation were just a first step. The New Zealand offer follows several abortive attempts to hold the talks, the previous proposed venue being the Solomon Islands.